

**SOUTHERN ARIZONA CHILDREN'S
ADVOCACY CENTER, INC.**

**FINANCIAL STATEMENTS AS OF AND FOR
THE YEARS ENDED JUNE 30, 2018 AND 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southern Arizona Children's Advocacy Center, Inc.

Report on the Financial Statements

I have audited the accompanying financial statements of Southern Arizona Children's Advocacy Center, Inc., an Arizona nonprofit corporation, which comprise the statements of financial position as of June 30, 2018 and 2017 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and 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.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. 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 the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes

evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Arizona Children's Advocacy Center, Inc. (SACAC) as of June 30, 2018 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. I have previously audited SACAC's 2017 financial statements and I expressed an unmodified opinion on those audited financial statements in my report dated August 7, 2017. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Tucson, Arizona
January 7, 2019

SOUTHERN ARIZONA CHILDREN'S ADVOCACY CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2018 AND 2017

Assets	<u>2018</u>	<u>2017</u>
Current Assets		
Cash and equivalents	\$ 347,365	\$ 533,520
Cash and equivalents- restricted	50,214	55,214
Certificates of deposit	195,445	30,696
Grants and contracts receivable, less valuation allowance for accounts of \$1,275 and \$7,250, respectively	83,116	126,611
Investments	8,117	8,117
Prepaid insurance	1,281	1,363
Property and equipment:		
Equipment	158,875	158,875
Furniture	101,427	101,427
Leasehold improvements	8,874	8,874
Accumulated depreciation	(214,716)	(202,383)
Property and equipment, net	<u>54,460</u>	<u>66,793</u>
Total assets	<u>\$ 739,998</u>	<u>\$ 822,314</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 2,362	\$ 27,210
Accrued vacation pay	15,919	28,382
Accrued payroll and related taxes	27,950	37,662
Total liabilities	<u>46,231</u>	<u>93,254</u>
Net Assets		
Without donor restrictions	643,553	673,846
With donor restrictions	50,214	55,214
Total net assets	<u>693,767</u>	<u>729,060</u>
Total liabilities and net assets	<u>\$ 739,998</u>	<u>\$ 822,314</u>

See independent auditor's report.

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

SOUTHERN ARIZONA CHILDREN'S ADVOCACY CENTER, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2018 and 2017

	2018		2017 Totals
	Without Donor Restrictions	With Donor Restrictions	
Revenues			
Grant and program revenue			
Government contracts and grants	\$ 615,611		\$ 688,129
Program revenue	135,252		139,075
Public support and other revenue			
Clothing bin net proceeds	35,183		22,227
Contributions	96,348		125,553
Special events, net of expenses of \$9,209 and \$34,356, respectively	45,725		71,307
Investment and other income	2,994		4,311
Releases from restrictions-purpose satisfied	5,000	(5,000)	
Total revenues	<u>936,113</u>	<u>(5,000)</u>	<u>1,050,602</u>
Expenses			
Program	786,746		782,460
General and Administrative	108,428		106,120
Fundraising	71,232		66,102
Total expenses	<u>966,406</u>		<u>954,682</u>
Changes in net assets	(30,293)	(5,000)	95,920
Net assets, beginning of year	<u>673,846</u>	<u>55,214</u>	<u>633,140</u>
Net assets, end of year	<u>\$ 643,553</u>	<u>\$ 50,214</u>	<u>\$ 729,060</u>

See independent auditor's report.

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

SOUTHERN ARIZONA CHILDREN'S ADVOCACY CENTER, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Changes in net assets	\$ (35,293)	\$ 95,920
Adjustments to reconcile change in net assets to net cash (used by) provided by operating activities:		
Depreciation	12,333	11,016
In-kind donation of furniture		(17,000)
Valuation allowance for receivables	(5,975)	
Changes in operating assets and liabilities:		
Grants and contracts receivable	49,470	(39,223)
Prepaid insurance	82	490
Accounts payable	(24,848)	4,538
Accrued vacation	(12,463)	(2,369)
Accrued payroll and related taxes	(9,712)	11,353
Net cash (used by) provided by operating activities	<u>(26,406)</u>	<u>64,725</u>
Cash flows from investing activities		
Purchases of property and equipment		(8,675)
Purchases of certificates of deposit	(164,749)	
Proceeds from sale of certificate of deposit		57,356
Net cash provided by (used in) investing activities	<u>(164,749)</u>	<u>48,681</u>
Net change in cash and equivalents	(191,155)	113,406
Cash and equivalents at beginning of year	<u>588,734</u>	<u>475,328</u>
Cash and equivalents at end of year	<u>\$ 397,579</u>	<u>\$ 588,734</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 8</u>	<u>-</u>
Cash paid during the year for income taxes	<u>-</u>	<u>-</u>
In-kind donation of furniture	<u>-</u>	<u>\$ 17,000</u>

See independent auditor's report.

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

SOUTHERN ARIZONA CHILDREN'S ADVOCACY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2018

	General and			Totals
	Programs	Administrative	Fundraising	
Payroll	\$ 490,010	\$ 74,447	\$ 45,767	\$ 610,224
Payroll taxes and employee benefits	86,472	13,138	8,076	107,686
Small equipment	2,603	396	243	3,242
Medical contract expenses	71,957			71,957
Clinical and prevention expenses	3,603			3,603
Insurance	7,462	1,134	697	9,293
Occupancy	77,500	11,775	7,238	96,513
Office expenses	4,969	755	464	6,188
Postage and printing	631	96	59	786
Professional fees	12,346	1,876	1,153	15,375
Promotion	612	612	4,892	6,116
Staff training	2,323	353	217	2,893
Travel	8,827	1,341	825	10,993
Miscellaneous	7,391	1,123	690	9,204
Total expenses before depreciation	776,706	107,044	70,323	954,073
Depreciation	10,040	1,384	909	12,333
TOTAL FUNCTIONAL EXPENSES	\$ 786,746	\$ 108,428	\$ 71,232	\$ 966,406

See independent auditor's report.

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

SOUTHERN ARIZONA CHILDREN'S ADVOCACY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2017

	General and			<u>Totals</u>
	<u>Programs</u>	<u>Administrative</u>	<u>Fundraising</u>	
Payroll	\$ 489,102	\$ 74,309	\$ 45,682	\$ 609,093
Payroll taxes and employee benefits	88,565	13,456	8,272	110,293
Dues and subscriptions	5,255	798	491	6,544
Small equipment	1,963	298	183	2,445
Medical contract expenses	70,800			70,800
Clinical and prevention expenses	12,848			12,848
Insurance	10,702	1,626	1,000	13,327
Occupancy	63,351	9,625	5,917	78,893
Office expenses	4,944	751	462	6,157
Postage and printing	4,518	686	422	5,627
Professional fees	8,932	1,357	834	11,123
Promotion	116	115	924	1,155
Staff training	4,600	699	430	5,729
Telecommunications	243	37	23	302
Travel	5,765	876	538	7,179
Miscellaneous	1,727	262	161	2,151
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	773,431	104,896	65,339	943,666
Depreciation	9,029	1,224	763	11,016
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNCTIONAL EXPENSES	\$ 782,460	\$ 106,120	\$ 66,102	\$ 954,682

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

Southern Arizona Children's Advocacy Center, Inc.
Notes To Financial Statements
June 30, 2018 and 2017

1. Nature of Operations

Southern Arizona Children's Advocacy Center, Inc. (the "Center") has been an Arizona non-profit corporation since May 13, 1996 that serves to support and respond to children who are victims of sexual assault, physical abuse, or witness to violence. The Center's mission is to protect and support children through a coordinated response to child maltreatment that includes intervention, assessment and prevention.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Center follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP") that the Center follows to ensure the consistent reporting of its financial condition, changes in net assets and cash flows. References to GAAP issued by the FASB are to the FASB Accounting Standards Codification ("ASC").

The Center's financial statements have been prepared in accordance with standards of accounting and financial reporting under ASC 958, *Not-for-Profit Entities*. Under this authoritative guidance, the Center is required to provide financial statements which are prepared to focus on the Center as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, "Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities", which require potentially significant changes in the presentation of the financial statements and related footnote disclosures in seven areas: net asset classes, liquidity and availability of resources, classification and disclosure of underwater endowment funds, expense reporting, statement of cash flows, investment return, and release of restrictions on capital assets. The guidance is effective for fiscal years beginning after December 15, 2017 and early adoption is permitted. The Center is adopting this standard with these financial statements.

Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets having similar characteristics have

Southern Arizona Children's Advocacy Center, Inc.
Notes To Financial Statements
June 30, 2018 and 2017

Summary of Significant Accounting Policies (continued)

Basis of Presentation (Continued)

been combined into similar categories as follows:

- **Without Donor Restrictions** – Net assets that represent the portion of expendable funds, which are for support of the Center's operations and are not subject to donor-imposed restrictions.
- **With Donor Restrictions** – Net assets whose use by the Center is subject to donor-imposed stipulations that can be fulfilled by actions of the Center pursuant to those stipulations or that expire through the passage of time or net assets whose use by the Center is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support. However, if a restriction is fulfilled in the same reporting period in which the contribution is received, the Center reports the support as unrestricted. Contributions of long-lived assets not having donor-imposed purpose or time restrictions are reported as unrestricted contributions in amounts equal to the fair value of the contributed assets.

Recent New Major Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers" (Topic 606), that will supersede most current revenue recognition guidance, including industry-specific guidance. The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain

Southern Arizona Children's Advocacy Center, Inc.
Notes To Financial Statements
June 30, 2018 and 2017

Summary of Significant Accounting Policies (continued)

Recent New Major Accounting Pronouncements (continued)

circumstances. Additionally, the guidance requires disclosures related to the nature, amount, timing, and uncertainty of revenue that is recognized. The amendments are required to be adopted for the Center's fiscal years beginning after December 15, 2018. Early adoption is permitted. Transition to the new guidance may be done using either a full or modified retrospective method. The Center is currently evaluating the full effect that the adoption of this standard will have on the financial statements but does not anticipate the adoption will have a material impact on the financial statements.

In February 2016, the FASB issued ASU No. 2016-02, "Leases" (topic 842), requiring lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets and to disclose key information about lease agreements. The guidance is effective for companies' fiscal years beginning after December 15, 2019 and early adoption is permitted. The Center is currently evaluating the impact of the pronouncement and anticipates the adoption may have a material impact on the financial statements.

Revenue Recognition

Grants and Contracts - The Center accounts for its government funded grants and contract revenues as exchange transactions. Revenue under cost reimbursement grants and contracts are recognized when costs are incurred or agreed-upon work is performed in accordance with the applicable agreements. Amounts received under unit rate contracts and client fees are earned when services are provided. A receivable is recorded to the extent contract revenue exceeds payment received; conversely, advances in excess of costs incurred under grants are deferred and recognized as revenue when the related expense is incurred or service rendered. A receivable is recorded to the extent revenue recognized exceeds payment received; conversely, advances in excess of costs incurred or work performed under government funded grants and contracts are deferred and recognized as revenue when the related cost is incurred.

Contributions - Contributions restricted by the donor for particular operating purposes or for a particular operating period are reported as revenues in the with donor restrictions net asset group. Once the Center has complied with all of the

Southern Arizona Children's Advocacy Center, Inc.
Notes To Financial Statements
June 30, 2018 and 2017

Summary of Significant Accounting Policies (continued)

Contributions (continued)--specific restrictions, the contribution is reclassified to the net asset without donor restrictions group as a net asset released from restrictions. This reclassification increases net assets without donor restrictions and decreases net assets with donor restrictions.

Donated Goods, Services and Facilities - Donated goods and services are recognized as in-kind donations at their fair market value. Donated services are only recognized when the services are received and (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills and (c) would typically need to be purchased if not provided by donation. Although the Center utilizes the services of outside volunteers to perform a variety of tasks that assist the Center, the fair value of all these services is not reflected in the accompanying financial statements because the above criteria are not met.

Cash and Cash Equivalents

For financial statement reporting purposes, the Center considers all highly liquid instruments purchased with original maturities of three months or less to be cash equivalents. The Center places its cash and cash equivalents with high credit quality institutions. At times, such deposits may be in excess of the FDIC insurance limit; however, management does not believe it is exposed to any significant credit risk on cash and cash equivalents. All such accounts are monitored by management to mitigate risk.

Certificates of Deposit

Certificates of deposit have original maturities of three to twenty-four months and are carried at market value, which approximates the original cost.

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 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.

Southern Arizona Children's Advocacy Center, Inc.
Notes To Financial Statements
Years Ended June 30, 2018 and 2017

Summary of Significant Accounting Policies (continued)

Accounts Receivable

The Center's funding sources are primarily foundation and governmental agencies. The Center grants credit to these agencies on an uncollateralized basis. The carrying amount of accounts, grants, and contracts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The valuation allowance for doubtful accounts is based on management's assessment of the collectability of specific accounts and the aging of accounts receivable. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

Property and Equipment

Property and equipment are stated at cost if purchased or at fair value at date of acquisition if donated. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method, ranging from five to fifteen years.

The Center's policy is to capitalize expenditures for property and equipment and donated property and equipment received that exceed \$1,500 and have a useful life greater than one year. When items are retired or disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of activities and changes in net assets. Repairs and maintenance for normal upkeep are charged to expense as incurred.

The Center periodically reviews the carrying value of long-lived assets held and used, and assets to be disposed of, for possible impairment when events and circumstances warrant such a review. Through June 30, 2018 and 2017 the Center had not experienced impairment losses on its long-lived assets.

Investments

Investments are carried at the lower of cost or fair market value, as determined by market quotations.

Functional Allocation of Expenses

The cost of providing the programs and other activities are summarized on a functional basis. Accordingly, costs are allocated among programs and supporting services benefited. Management's estimate of the functional allocation of expenditures is based on actual expenditures and management's estimate of levels of service.

Southern Arizona Children's Advocacy Center, Inc.
Notes To Financial Statements
June 30, 2018 and 2017

Summary of Significant Accounting Policies (continued)

Income Taxes

The Center is a Section 501(c)(3) organization, exempt from taxation under Internal Revenue Code Section 501(a). Accordingly, no provision is made in the accompanying financial statements for deferral and state income taxes. Income from certain activities not directly related to the Center's tax-exempt purpose, however, may be subject to taxation as unrelated business income. Management is not aware of any matters which would cause the Center to lose its tax-exempt status.

Management evaluated the Center's tax positions in accordance with the accounting standard on accounting for uncertainty in income taxes and concluded that the Center had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the accounting standard. With few exceptions, the Center is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2014.

Prior Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Advertising and Promotional

The Center expenses advertising and promotional costs as they are incurred. Total advertising and promotional expenses for the years ended June 30, 2018 and 2017 were \$6,116 and \$1,155, respectively.

3. Clothing Bin Proceeds

In September 2016 the Center's contracted clothing bin management company ceased operations and terminated its contract, at which time it also transferred to the Center 53 donation boxes in exchange for \$7,000 owed to the Center. Effective May 2017 the Center commenced using Goodwill Industries to pickup the donated goods from the boxes and pay 10 cents per pound for saleable goods.

Southern Arizona Children's Advocacy Center, Inc.
Notes To Financial Statements
June 30, 2018 and 2017

4. Grants and Contracts Receivable

Grants and contracts receivable were comprised of the following at June 30:

	<u>2018</u>	<u>2017</u>
Pima County Institutional Health	\$ 20,522	\$ 43,547
Various forensic interviews, net of allowance	40,141	27,757
Arizona Department of Public Safety-VOCA	12,715	29,479
Arizona Criminal Justice Commission		5,092
Community Development Block Grant	5,451	7,093
Children's Justice Act	4,287	5,995
Arizona Department of Child Safety		820
Goodwill Industries		6,828
	<u>\$ 83,116</u>	<u>\$ 126,611</u>

5. Credit Risk

The Center had grants and contracts receivable of \$83,116 and \$126,611 at June 30, 2018 and 2017, respectively. These amounts contain no collateral provisions for collections. Total credit risk and accounting loss that could occur if all parties to the receivables fail to perform their obligations is \$83,116.

As of June 30, 2018 the Center had deposits at a single bank that exceeded the FDIC insured limits by \$343,676.

6. Investments and Fair Value Measurements

GAAP requires that entities use a three-level hierarchy to prioritize the inputs used to measure fair value, and maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Level 1 of the hierarchy utilizes quoted prices for identical assets in active markets to which the Organization had access at the measurement date. Level 2 would utilize quoted prices for similar assets in active markets or identical assets in inactive markets, which is the case for all of the Center's certificates of deposit. Level 3 utilizes unobservable inputs for an asset's fair value measurement. Since the Organization has ready access to quoted prices from an active market for its investments, it

Southern Arizona Children's Advocacy Center, Inc.
Notes To Financial Statements
June 30, 2018 and 2017

6. Investments and Fair Value Measurements (continued)

utilizes level 1 inputs to measure their fair value.

Investments, all recorded at fair market value at level 1 fair value hierarchy, were as follows as of June 30th:

	<u>2018</u>	<u>2017</u>
7,713 and 7,617.34 shs Fidelity Government Money Market Fund	\$7,713	\$7,617
10 shares Qualcomm Inc	404	500
	<u>\$ 8,117</u>	<u>\$ 8,117</u>

7. Net Assets With Donor Restrictions

Net assets were donor restricted for the following purposes at June 30:

	<u>2018</u>	<u>2017</u>
Office furniture and equipment	\$ 49,009	\$ 49,009
Marketing video		5,000
Clinical program	1,205	1,205
	<u>\$ 50,214</u>	<u>\$ 55,214</u>

8. Retirement Plan

The Center has a defined contribution plan covering all employees that work at least 20 hours a week. The Center contributes up to 2% of eligible employees' annual compensation to the plan on an employee matching basis. Total retirement expense for the years ended June 30, 2018 and 2017 was \$14,453 and \$15,042, respectively.

9. Operating Lease

The Center leases office space from Pima County and entered into an agreement which expires in September 2033. In lieu of base rent, the Center pays 61.7% of the lessor's operating expenses for the building and a nominal fee for each telephone line and internet connection, based on the County's budgeted rates. The Center also pays an additional 10% of their prorated share of building expenses toward a capital repair and replacement fund for the building. The required monthly lease amounts were determined to be \$7,855 and \$6,458 for the years ended June 30, 2018 and 2019, respectively. The required monthly lease amounts for the year ended June 30, 2019 has been determined to be \$9,434.

Southern Arizona Children's Advocacy Center, Inc.
Notes To Financial Statements
June 30, 2018 and 2017

9. Operating Lease (continued)

The future minimum annual lease payments due under the lease based on current level of operating expenses are as follows:

Year Ending June 30,	Amount
2019	\$ 113,208
2020	113,208
2021	113,208
2022	113,208
2023	113,208
Thereafter	1,471,704
	<u>\$ 2,037,744</u>

Office lease expense for the years ended June 30, 2018 and 2017 was \$96,282 and \$78,893, respectively.

10. Liquidity

Financial assets as of June 30, 2018	\$ 685,538
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Property lease commitment	(113,208)
Subject to appropriation and satisfaction of donor restrictions	<u>(50,214)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$522,116</u>

The Organization is partially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of immediate and very short-term projected requirements in short-term investments. These short-term, liquid investments may be used to fulfil needs resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

Southern Arizona Children's Advocacy Center, Inc.
Notes To Financial Statements
June 30, 2018 and 2017

11. Subsequent Events

The Center evaluated subsequent events through January 7, 2019, which represents the date report was available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

These notes are an integral part of the financial statements.