

**CHILD FIND OF AMERICA, INC.**  
*"Bringing Missing Children Home"*

**FINANCIAL STATEMENTS**

Year Ended May 31, 2018  
With Comparative Totals for 2017

Prepared by:

**FOSTER & SCHMALKUCHE, P.C.**  
*Certified Public Accountants*

## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT .....	1
FINANCIAL STATEMENTS:	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows .....	5
Schedule of Functional Expenses .....	6
Notes to Financial Statements .....	8

**FOSTER & SCHMALKUCHE, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

2135 ROUTE 44-55

P.O BOX 300

GARDINER, NEW YORK 12525

(845) 255-1813

FAX (845) 255-4507

EMAIL: [info@fandscpa.com](mailto:info@fandscpa.com)

[www.fandscpa.com](http://www.fandscpa.com)

FREDERICK W. SCHMALKUCHE, CPA/PFS, CFP®

PATRICIA A. PHILIPP, CPA/ABV/CFF, CVA

MILDRED M. CIARLANTO, CPA/PFS

SONIA H. SMITH, CPA

DALE MANCE, CPA

DEBORAH PITT, CPA

HOWARD FOSTER, RETIRED

**MEMBER:**

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
**CHILD FIND OF AMERICA, INC.**

We have audited the accompanying financial statements of Child Find of America, Inc. (a non-profit organization), which comprise the statement of financial position as of May 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 Find of America, Inc. as of May 31, 2018 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Child Find of America, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 27, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Foster & Schmalkuche, P.C.  
Gardiner, New York

September 5, 2018

**CHILD FIND OF AMERICA, INC.**  
**"Bringing Missing Children Home"**  
**Statement of Financial Position**  
**May 31, 2018**  
**With Comparative Totals for 2017**

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>				
CURRENT ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2018</u>	<u>2017</u>
Cash	\$ 238,206	\$ -	\$ -	\$ 238,206	\$ 133,443
Contributions Receivable	9,924	-	-	9,924	5,842
Grant/Contract Receivable	32,144	-	-	32,144	30,846
Marketable Securities	40,533	-	-	40,533	36,148
Prepaid Expenses	2,303	-	-	2,303	2,115
<b>TOTAL CURRENT ASSETS</b>	<b>323,110</b>	<b>-</b>	<b>-</b>	<b>323,110</b>	<b>208,394</b>
<b>PROPERTY AND EQUIPMENT</b>					
Net Depreciable Assets	631	-	-	631	2,422
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>631</b>	<b>-</b>	<b>-</b>	<b>631</b>	<b>2,422</b>
<b>OTHER ASSETS</b>					
Security Deposit	1,300	-	-	1,300	1,300
Trademark	10,190	-	-	10,190	11,209
<b>TOTAL OTHER ASSETS</b>	<b>11,490</b>	<b>-</b>	<b>-</b>	<b>11,490</b>	<b>12,509</b>
<b>TOTAL ASSETS</b>	<b><u>\$ 335,231</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 335,231</u></b>	<b><u>\$ 223,325</u></b>
 <u>LIABILITIES AND NET ASSETS</u>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	\$ 918	\$ -	\$ -	\$ 918	\$ 666
Accrued Salaries and Payroll Taxes	32,284	-	-	32,284	24,363
<b>TOTAL CURRENT LIABILITIES</b>	<b>33,202</b>	<b>-</b>	<b>-</b>	<b>33,202</b>	<b>25,029</b>
<b>NET ASSETS</b>	<b><u>302,029</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>302,029</u></b>	<b><u>198,296</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 335,231</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 335,231</u></b>	<b><u>\$ 223,325</u></b>

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

**CHILD FIND OF AMERICA, INC.**  
**"Bringing Missing Children Home"**  
**Statement of Activities**  
Year Ended May 31, 2018  
With Comparative Totals for 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL ALL FUNDS	
				2018	2017
<b>REVENUE, GAINS AND OTHER SUPPORT</b>					
Contributions - Cash	\$ 330,242	\$ -	\$ -	\$ 330,242	\$ 285,076
Contributions - Non-Cash	-	-	-	-	31,787
Grant/Contract Income	236,457	-	-	236,457	227,333
Conference Income	17,045	-	-	17,045	22,441
Interest and Dividends	2,226	-	-	2,226	119
Unrealized Gain on Securities	1,929	-	-	1,929	1,065
Assets Released from Restrictions	18,279	(18,279)	-	-	-
	606,178	(18,279)	-	587,899	567,821
<b>TOTAL REVENUE, GAINS AND OTHER SUPPORT</b>					
 <b>EXPENSES AND LOSSES</b>					
Program Services	445,027	-	-	445,027	391,403
Supporting Services	39,139	-	-	39,139	38,095
	484,166	-	-	484,166	429,498
<b>TOTAL EXPENSES AND LOSSES</b>					
 Change in Net Assets	122,012	(18,279)	-	103,733	138,323
 <b>NET ASSETS - BEGINNING OF YEAR</b>	180,017	18,279	-	198,296	59,973
 <b>NET ASSETS - END OF YEAR</b>	\$ 302,029	\$ -	\$ -	\$ 302,029	\$ 198,296

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

**CHILD FIND OF AMERICA, INC.**  
**"Bringing Missing Children Home"**  
**Statement of Cash Flows**  
**Year Ended May 31, 2018**  
**With Comparative Totals for 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 103,733	\$ 138,323
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,791	3,033
Amortization	1,019	1,019
Contributions - Non-Cash	-	(31,787)
Non-Cash Portion of Expenses	-	349
Unrealized Gain on Marketable Securities	(1,929)	(1,065)
Changes in Assets and Liabilities:		
Contributions Receivable	(4,082)	(1,941)
Grant/Contract Receivable	(1,298)	(16,016)
Prepaid Expenses	(188)	(914)
Accounts Payable	252	(8,610)
Accrued Salaries and Payroll Taxes Payable	7,921	7,085
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>107,219</b>	<b>89,476</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Marketable Securities	(2,456)	-
<b>CASH AT BEGINNING OF YEAR</b>	<b>133,443</b>	<b>43,967</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 238,206</b>	<b>\$ 133,443</b>

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

**CHILD FIND OF AMERICA, INC.**  
**"Bringing Missing Children Home"**  
**Schedule of Functional Expenses**  
Year Ended May 31, 2018  
With Comparative Totals for 2017

	PROGRAM SERVICES			
	Location	Public Education	Parent Help	Total
Salaries	\$ 44,246	\$ 109,066	\$ 115,220	\$ 268,532
Payroll Taxes and Benefits	6,148	16,907	16,203	39,258
Total Payroll Related Expenses	50,394	125,973	131,423	307,790
Professional Services	1,603	3,908	4,077	9,588
Consulting Fees	-	6,040	4,240	10,280
Training	-	3,119	202	3,321
Travel	-	8,167	-	8,167
Entertainment	-	36	-	36
Telephone	1,705	689	5,210	7,604
Postage	46	5,569	451	6,066
Office Supplies	528	10,540	1,071	12,139
Media Production	-	34,613	-	34,613
Computers	360	134	1,052	1,546
Rent	3,780	9,212	9,611	22,603
Insurance	521	1,268	1,324	3,113
Office Maintenance	108	263	273	644
Filing Fees	577	1,406	1,467	3,450
Dues and Subscriptions	1,809	2,253	1,816	5,878
Bank Charges	559	1,364	1,423	3,346
Storage	1,702	-	567	2,269
Total Expenses Before Depreciation and Amortization	63,692	214,554	164,207	442,453
Depreciation	274	669	698	1,641
Amortization	156	380	397	933
Total Depreciation and Amortization	430	1,049	1,095	2,574
<b>TOTAL EXPENSES</b>	<u>\$ 64,122</u>	<u>\$ 215,603</u>	<u>\$ 165,302</u>	<u>\$ 445,027</u>

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



SUPPORTING SERVICES			TOTAL EXPENSES	
Management and General	Fundraising	Total	2018	2017
\$ 21,220	\$ 4,772	\$ 25,992	\$ 294,524	\$ 280,946
2,627	935	3,562	42,820	43,952
23,847	5,707	29,554	337,344	324,898
739	138	877	10,465	10,434
-	-	-	10,280	2,320
-	-	-	3,321	469
266	-	266	8,433	5,362
631	-	631	667	403
513	176	689	8,293	7,863
451	770	1,221	7,287	3,517
130	-	130	12,269	12,092
-	759	759	35,372	10,892
98	35	133	1,679	1,945
1,742	325	2,067	24,670	26,020
240	44	284	3,397	3,491
50	9	59	703	1,809
266	49	315	3,765	2,429
687	925	1,612	7,490	5,828
258	48	306	3,652	3,903
-	-	-	2,269	1,771
29,918	8,985	38,903	481,356	425,446
126	24	150	1,791	3,033
72	14	86	1,019	1,019
198	38	236	2,810	4,052
<u>\$ 30,116</u>	<u>\$ 9,023</u>	<u>\$ 39,139</u>	<u>\$ 484,166</u>	<u>\$ 429,498</u>

**CHILD FIND OF AMERICA, INC.**  
*"Bringing Missing Children Home"*  
**Notes to Financial Statements**  
May 31, 2018

Note 1: Summary of Significant Accounting Policies

- (A) Child Find of America, Inc. is a national not-for-profit organization that provides professional services designed to prevent and resolve child abduction and the family conflicts that can lead to abduction and abuse.
- (B) The financial statements of Child Find of America, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.
- (C) Child Find of America, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made on the accompanying financial statements.
- (D) Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 and reported in the Statement of Activities as net assets released from restrictions.
- (E) Non-cash donations are recorded as contributions at their fair values at the date of donation.
- (F) The Organization capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed using the straight-line method.
- (G) Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.
- (H) 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.

Note 1: Summary of Significant Accounting Policies (cont'd.)

- (I) 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2017, from which the summarized information was derived.
- (J) Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Note 2: Investment in Property and Equipment

Property and equipment are summarized as follows:

	<u>May 31, 2018</u>	<u>May 31, 2017</u>
Furniture and Equipment	\$ 1,815	\$ 1,815
Donated Equipment	<u>27,742</u>	<u>27,742</u>
	29,557	29,557
Less: Accumulated Depreciation	<u>( 28,926)</u>	<u>(27,135)</u>
Net Property and Equipment	<u>\$ 631</u>	<u>\$ 2,422</u>

Note 3: Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Note 4: Trademark

During fiscal years 1988 and 1989, expenses were incurred to protect the trade name against an Organization located in the state of Missouri. Trademark and trade name expenditures are currently being amortized over 40 years.

	<u>May 31, 2018</u>	<u>May 31, 2017</u>
Original Total	\$ 40,761	\$ 40,761
Accumulated Amortization	<u>(30,571)</u>	<u>(29,552)</u>
Net Trademark	<u>\$ 10,190</u>	<u>\$ 11,209</u>

Note 5: Contributions Receivable

Contributions receivable have been deemed by management to be fully collectible.

Note 6: Marketable Securities

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains are included in the change in net assets. Marketable securities of the Organization are summarized as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Appreciation</u>
Stocks	\$ 4,884	\$ 7,110	\$ 2,226
Mutual Funds	<u>32,355</u>	<u>33,423</u>	<u>1,068</u>
Total	<u>\$ 37,239</u>	<u>\$ 40,533</u>	<u>\$ 3,294</u>

Investment return is summarized as follows:

Dividend income	\$ 2,226
Net unrealized gain	<u>1,929</u>
Total investment income	<u>\$ 4,155</u>

Note 7: Fair Value Measurements

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at May 31, 2018 are as follows:

	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Stocks	\$ 7,110
Mutual Funds	<u>33,423</u>
Total	<u>\$ 40,533</u>

Note 8: Temporarily Restricted Net Assets

During the year ended May 31, 2018, Child Find of America, Inc. received grants and donations restricted for various programs. At May 31, 2018, all amounts received had been spent for the intended purpose.

Note 9: Rent

The Organization has a rental lease agreement with Southeastern NY Library Resources Council which is in effect until September 30, 2018. Per the lease agreement, the Organization is obligated to pay monthly payments of \$2,188 per month. The lease agreement is expected to be renewed.

Note 10: Subsequent Events

The Organization has evaluated subsequent events through September 5, 2018, the date the financial statements were available to be issued.