

The Children's Law Center, Inc.
Financial Statements
September 30, 2018 and 2017



THE CHILDREN'S LAW CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

	SEPTEMBER 30,	
ASSETS	2018	2017
CURRENT ASSETS:		
Cash and cash equivalents:		
Checking and money market accounts	\$ 3,148,792	\$ 2,575,571
Restricted cash	-	57,224
Total cash and cash equivalents	\$ 3,148,792	\$ 2,632,795
Receivables:		
Contracts receivable	\$ 594,933	\$ 548,318
Contributions and grants receivable	246,728	582,062
Annual event pledges receivable	443,477	597,551
Total receivables	\$ 1,285,138	\$ 1,727,931
Other current assets:		
Prepaid expenses and other current assets	\$ 210,153	\$ 141,318
Other investments - certificates of deposit	984,116	987,829
Total other current assets	\$ 1,194,269	\$ 1,129,147
TOTAL CURRENT ASSETS	\$ 5,628,199	\$ 5,489,873
NONCURRENT ASSETS:		
Receivables:		
Contributions and grants receivable, net of current	\$ -	\$ 86,406
Annual event pledges receivable, net of current	174,000	237,000
Total receivables	\$ 174,000	\$ 323,406
Investments	531,927	498,940
Property and equipment, net	1,909,453	2,164,426
Security deposit and other noncurrent assets	93,510	93,510
TOTAL NONCURRENT ASSETS	\$ 2,708,890	\$ 3,080,282
TOTAL ASSETS	\$ 8,337,089	\$ 8,570,155
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 62,649	\$ 74,493
Accrued expenses	260,660	325,134
Deferred revenue	111,250	69,420
Deferred rent and tenant improvement allowance, current	113,654	-
TOTAL CURRENT LIABILITIES	\$ 548,213	\$ 469,047
NONCURRENT LIABILITIES:		
Deferred rent and tenant improvement allowance, net of current	2,036,555	2,000,354
TOTAL LIABILITIES	\$ 2,584,768	\$ 2,469,401
NET ASSETS:		
Unrestricted	\$ 4,853,025	\$ 3,598,307
Temporarily restricted	899,296	2,502,447
TOTAL NET ASSETS	\$ 5,752,321	\$ 6,100,754
TOTAL LIABILITIES AND NET ASSETS	\$ 8,337,089	\$ 8,570,155

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

THE CHILDREN'S LAW CENTER, INC.
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED SEPTEMBER 30,

	2018		2017	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
	Totals		Totals	
REVENUE AND SUPPORT:				
DC court contractual services	\$ 7,139,218	-	\$ 7,139,218	-
Grants	656,945	224,600	881,545	-
Contributions	472,305	23,000	495,305	-
Annual event:				
Gross revenue and donations	1,420,044	-	1,420,044	-
Less, direct expenses	(164,363)	-	(164,363)	-
Fellowships	78,250	37,263	115,513	-
Donated goods and services	391,442	-	391,442	-
Attorney fees	-	-	-	-
Investment income, net	45,882	-	45,882	-
Loss on disposal of fixed assets	-	-	-	-
Net assets released from restrictions	1,888,014	(1,888,014)	-	(1,066,403)
TOTAL REVENUE AND SUPPORT	\$ 11,927,737	\$ (1,603,151)	\$ 10,324,586	\$ 1,339,302
EXPENSES:				
Program services:				
Guardian Ad Litem	\$ 5,672,606	-	\$ 5,672,606	-
Families First	1,056,549	-	1,056,549	-
Healthy Together	1,736,481	-	1,736,481	-
Policy Work and Advocacy	785,340	-	785,340	-
Total program services	<u>\$ 9,250,976</u>	<u>-</u>	<u>\$ 9,250,976</u>	<u>-</u>
Supporting services:				
General and administrative	\$ 771,970	-	\$ 771,970	-
Fundraising	616,970	-	616,970	-
Total supporting services	<u>\$ 1,388,940</u>	<u>-</u>	<u>\$ 1,388,940</u>	<u>-</u>
TOTAL EXPENSES	\$ 10,639,916	\$ -	\$ 10,639,916	\$ -
CHANGE IN NET ASSETS BEFORE PROVISION FOR FEDERAL INCOME TAX	\$ 1,287,821	\$ (1,603,151)	\$ (315,330)	\$ 1,339,302
PROVISION FOR FEDERAL INCOME TAX	(33,103)	-	(33,103)	-
CHANGE IN NET ASSETS AFTER PROVISION FOR FEDERAL INCOME TAX	\$ 1,254,718	\$ (1,603,151)	\$ (348,433)	\$ 1,339,302
NET ASSETS, BEGINNING OF YEAR	3,598,307	2,502,447	6,100,754	1,163,145
NET ASSETS, END OF YEAR	\$ 4,853,025	\$ 899,296	\$ 5,752,321	\$ 2,502,447
			\$ 962,603	\$ 376,699
			\$ 636,444	\$ 604,132
			\$ 1,240,576	\$ 1,240,576
			\$ 10,008,446	\$ 10,008,446
			\$ 8,767,870	\$ 8,767,870
			\$ 636,444	\$ 636,444
			\$ 604,132	\$ 604,132
			\$ 1,240,576	\$ 1,240,576
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THE CHILDREN'S LAW CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Program Services				Supporting Services		Totals
	Guardian Ad Litem	Families First	Healthy Together	Policy Work and Advocacy	Program Services	General and Administrative	
Personnel expenses:							
Compensation	\$ 3,404,644	\$ 582,330	\$ 1,047,541	\$ 544,383	\$ 5,578,898	\$ 334,586	\$ 6,228,504
Benefits	729,324	110,984	184,905	69,624	1,094,837	50,417	1,213,328
Payroll taxes	269,866	46,058	87,936	31,360	435,220	25,444	484,658
Total personnel	\$ 4,403,834	\$ 739,372	\$ 1,320,382	\$ 645,367	\$ 7,108,955	\$ 410,447	\$ 7,926,490
Bad debt expense	-	-	-	-	-	58,613	58,613
Client costs	8,415	1,429	1,271	-	11,115	-	11,115
Communications	65,925	10,224	16,957	8,710	101,816	10,803	118,372
Cost of litigation	19,305	2,236	47,898	36	69,475	-	69,548
Depreciation and amortization	174,447	30,237	52,106	20,678	277,468	11,604	301,996
Direct mail	1,030	-	-	-	1,030	-	7,851
Donated goods and services	80,211	20,782	13,069	-	114,062	85,510	199,572
Donated legal services	56,870	103,500	31,500	-	191,870	-	191,870
Equipment maintenance	56,579	10,517	16,629	6,881	90,606	75,663	179,905
Independent contractors	19,139	3,410	7,850	9,944	40,343	700	137,456
Insurance	25,139	4,970	6,487	2,869	39,465	664	40,764
Legal library	30,879	5,868	9,348	3,518	49,613	-	51,153
Meetings	4,456	1,258	5,118	1,015	11,847	1,943	16,086
Membership dues	16,421	3,912	4,227	4,483	29,043	4,291	35,184
Moving costs and building repairs	1,269	219	378	149	2,015	7,884	9,983
Office rent and occupancy	521,618	90,279	155,067	57,888	824,852	37,018	901,403
Office supplies	28,517	8,051	4,333	4,094	44,995	2,722	50,278
Other events expense	3,167	710	1,215	14	5,106	-	5,106
Postage	3,981	882	1,587	523	6,973	1,342	8,840
Printing and design	4,226	791	3,224	9,026	17,267	2,421	27,783
Professional development	20,914	2,700	7,571	837	32,022	10,276	44,844
Professional fees	15,792	3,064	4,344	1,748	24,948	45,991	72,437
Recruiting	3,532	295	379	909	5,115	2,083	17,817
Staff costs	15,402	4,218	2,595	2,364	24,579	1,540	27,499
Transportation	91,538	7,625	22,946	4,287	126,396	455	127,951
TOTAL EXPENSES	\$ 5,672,606	\$ 1,056,549	\$ 1,736,481	\$ 785,340	\$ 9,250,976	\$ 771,970	\$ 10,639,916

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

THE CHILDREN'S LAW CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Program Services				Supporting Services		Totals
	Guardian Ad Litem	Families First	Healthy Together	Policy Work and Advocacy	Total Program Services	General and Administrative	
Personnel expenses:							
Compensation	\$ 3,160,883	\$ 538,648	\$ 978,643	\$ 371,896	\$ 5,050,070	\$ 281,727	\$ 326,975
Benefits	661,229	112,315	171,230	66,778	1,011,552	37,973	60,912
Payroll taxes	238,931	40,242	73,253	30,247	382,673	21,879	25,598
Total personnel	\$ 4,061,043	\$ 691,205	\$ 1,223,126	\$ 468,921	\$ 6,444,295	\$ 341,579	\$ 413,485
Client costs	10,970	285	4,617	7	15,879	-	-
Communications	72,330	14,268	17,313	8,936	112,847	9,739	5,493
Cost of litigation	25,635	3,757	62,170	-	91,562	213	-
Depreciation and amortization	95,861	26,109	22,037	17,580	161,587	8,593	10,225
Direct mail	-	-	-	-	-	150	7,600
Donated goods and services	72,067	12,670	20,149	-	104,886	92,138	-
Donated legal services	55,213	84,093	28,500	-	167,806	-	-
Equipment maintenance	48,142	14,254	9,673	9,732	81,801	21,979	9,847
Independent contractors	16,791	5,773	3,484	41,096	67,144	9,926	63,416
Insurance	25,924	5,812	5,744	3,087	40,567	1,294	779
Legal library	34,015	5,637	9,460	3,656	52,768	443	7,158
Meetings	647	706	955	1,434	3,742	2,320	878
Membership dues	15,063	2,741	4,597	4,092	26,493	1,099	2,281
Moving costs and building repairs	39,584	14,993	9,181	6,795	70,553	21,107	4,687
Office rent and occupancy	609,507	193,467	108,863	81,244	993,081	56,397	48,190
Office supplies	24,912	4,565	8,482	3,431	41,390	4,925	2,027
Other events expense	959	127	166	-	1,252	95	9,554
Postage	2,608	799	1,060	314	4,781	1,571	2,702
Printing and design	6,132	1,487	1,569	9,130	18,318	50	6,720
Professional development	44,837	10,642	16,122	3,041	74,642	3,625	3,316
Professional fees	18,657	5,729	3,471	2,459	30,316	42,779	1,837
Recruiting	2,838	943	594	383	4,758	13,833	787
Staff costs	15,737	2,703	4,356	1,735	24,531	1,525	1,897
Transportation	98,915	7,516	23,413	3,027	132,871	1,064	1,253
TOTAL EXPENSES	\$ 5,398,387	\$ 1,110,281	\$ 1,589,102	\$ 670,100	\$ 8,767,870	\$ 636,444	\$ 604,132
							\$ 10,008,446

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

THE CHILDREN'S LAW CENTER, INC.

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED SEPTEMBER 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (348,433)	\$ 376,699
Reconciliation adjustments:		
Depreciation and amortization	301,996	180,405
Net realized and unrealized gains	(21,161)	(38,952)
Donated securities	(135,345)	(65,416)
Loss on disposal of assets	-	21,310
Decrease (increase) in assets:		
Contracts receivable	(46,615)	(22,960)
Contributions and grants receivable	421,740	113,908
Annual event pledges receivable	217,074	(371,301)
Prepaid expenses and other current assets	(68,835)	64,412
Security deposit and other noncurrent assets	-	13,281
Increase (decrease) in liabilities:		
Accounts payable	(11,844)	12,876
Accrued expenses	(64,474)	77,836
Deferred revenue	41,830	69,420
Deferred rent and tenant improvement allowance	149,855	1,985,663
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 435,788	\$ 2,417,181
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	\$ (47,023)	\$ (2,221,428)
Purchases of investments	(51,840)	(8,495)
Proceeds from sales of investments	919,072	1,046,307
Purchases of other investments - certificates of deposit	(740,000)	(985,000)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	\$ 80,209	\$ (2,168,616)
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 515,997	\$ 248,565
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	2,632,795	2,384,230
END OF YEAR	\$ 3,148,792	\$ 2,632,795

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