



Financial Statements

June 30, 2018 and 2017



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GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
Greater Richmond SCAN (Stop Child Abuse Now), Inc.
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying statements of financial position of Greater Richmond SCAN (Stop Child Abuse Now), Inc., (the "Organization") as of June 30, 2018 and 2017, and the related statements of activities, 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 fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits 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 organization'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 organization'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 Greater Richmond SCAN (Stop Child Abuse Now), Inc. as of June 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.

A handwritten signature in black ink, appearing to read "Keita", with a long, sweeping horizontal stroke extending to the right.

November 1, 2018
Glen Allen, Virginia

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Financial Position
June 30, 2018 and 2017

<u>Assets</u>	<u>2018</u>	<u>2017</u>
Current assets:		
Cash	\$ 1,239,535	\$ 1,007,446
Marketable securities	21,998	-
Accounts receivable, net of allowances	11,676	13,585
Grants receivable	59,464	21,696
Pledges receivable	40,503	30,747
Prepaid expenses and other assets	44,281	42,329
	<hr/>	<hr/>
Total current assets	1,417,457	1,115,803
	<hr/>	<hr/>
Property and equipment:		
Furniture	23,347	23,347
Equipment	117,208	112,901
Leasehold improvements	42,272	42,272
Accumulated depreciation	(145,098)	(145,324)
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Property and equipment, net	37,729	33,196
	<hr/>	<hr/>
Total assets	<u>\$ 1,455,186</u>	<u>\$ 1,148,999</u>
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<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 9,522	\$ 15,481
Accrued payroll liabilities	102,539	116,078
Deferred rent	6,976	14,317
	<hr/>	<hr/>
Total current liabilities	119,037	145,876
	<hr/>	<hr/>
Net assets:		
Unrestricted	1,033,197	784,189
Temporarily restricted	302,952	218,934
	<hr/>	<hr/>
Total net assets	1,336,149	1,003,123
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Total liabilities and net assets	<u>\$ 1,455,186</u>	<u>\$ 1,148,999</u>
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See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Activities
Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Contributions	\$ 507,546	\$ 663,680	\$ 1,171,226
In-kind contributions	20,967	-	20,967
Grants	456,774	-	456,774
Program revenue	99,284	-	99,284
Special events (less direct expenses of \$82,185)	323,571	-	323,571
Interest income	113	-	113
	<u>1,408,255</u>	<u>663,680</u>	<u>2,071,935</u>
Total support and revenue			
Net assets released from restrictions	579,662	(579,662)	-
	<u>1,987,917</u>	<u>84,018</u>	<u>2,071,935</u>
Total support, revenue, and other changes			
Expenses:			
Program services	1,440,315	-	1,440,315
Support services:			
Management and general	129,010	-	129,010
Fundraising	169,584	-	169,584
	<u>1,738,909</u>	<u>-</u>	<u>1,738,909</u>
Total expenses			
Changes in net assets	249,008	84,018	333,026
Net assets, beginning of year	<u>784,189</u>	<u>218,934</u>	<u>1,003,123</u>
Net assets, end of year	<u>\$ 1,033,197</u>	<u>\$ 302,952</u>	<u>\$ 1,336,149</u>

See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Activities, Continued
Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Contributions	\$ 508,594	\$ 508,811	\$ 1,017,405
In-kind contributions	35,586	-	35,586
Grants	440,247	-	440,247
Program revenue	84,962	-	84,962
Special events (less direct expenses of \$144,309)	272,959	-	272,959
Interest income	71	-	71
Other income	281	-	281
	<hr/>	<hr/>	<hr/>
Total support and revenue	1,342,700	508,811	1,851,511
	<hr/>	<hr/>	<hr/>
Net assets released from restrictions	445,089	(445,089)	-
	<hr/>	<hr/>	<hr/>
Total support, revenue, and other changes	1,787,789	63,722	1,851,511
	<hr/>	<hr/>	<hr/>
Expenses:			
Program services	1,276,280	-	1,276,280
Support services:			
Management and general	143,926	-	143,926
Fundraising	151,601	-	151,601
	<hr/>	<hr/>	<hr/>
Total expenses	1,571,807	-	1,571,807
	<hr/>	<hr/>	<hr/>
Changes in net assets	215,982	63,722	279,704
Net assets, beginning of year	568,207	155,212	723,419
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Net assets, end of year	\$ 784,189	\$ 218,934	\$ 1,003,123
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See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Functional Expenses
Year Ended June 30, 2018

	Program Services					Support Services				Total
	CAC	CASA	Community Program	Family Support	Circle Preschool	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and wages	\$ 291,782	\$ 182,442	\$ 145,973	\$ 161,936	\$ 190,432	\$ 972,565	\$ 57,316	\$ 130,401	\$ 187,717	\$ 1,160,282
Employee benefits	15,421	10,695	11,379	7,580	8,908	53,983	2,835	7,660	10,495	64,478
Payroll taxes	26,214	13,720	10,920	12,240	13,924	77,018	4,268	9,824	14,092	91,110
Occupancy expenses	92,438	27	7,537	18,457	4,226	122,685	11,436	18	11,454	134,139
Travel and meetings	11,025	5,040	4,598	3,840	1,694	26,197	974	6,430	7,404	33,601
Depreciation	5,945	2,972	991	3,963	2,973	16,844	991	1,982	2,973	19,817
Development and training	3,633	37	7,836	455	1,859	13,820	346	-	346	14,166
Postage and shipping	111	32	10	42	34	229	772	1,281	2,053	2,282
Telephone	10,897	807	748	2,273	807	15,532	987	538	1,525	17,057
Technology	3,215	2,557	536	2,143	1,607	10,058	4,036	1,072	5,108	15,166
Supplies	10,500	2,839	3,182	2,394	8,108	27,023	1,418	2,368	3,786	30,809
Printing and publications	250	-	1,872	-	-	2,122	-	2,547	2,547	4,669
Professional fees	16,414	840	280	27,468	4,865	49,867	32,434	560	32,994	82,861
Volunteer training	-	1,157	-	-	-	1,157	-	-	-	1,157
Volunteer recognition	31	67	5	21	15	139	5	10	15	154
Insurance	6,694	4,104	1,698	3,556	4,679	20,731	5,008	2,748	7,756	28,487
Equipment rental and maintenance	9,913	1,763	1,652	4,129	-	17,457	2,477	1,200	3,677	21,134
Program evaluation	-	-	-	500	67	567	-	-	-	567
Miscellaneous expenses	3,066	12	10	41	664	3,793	3,658	333	3,991	7,784
Bad debts	1,000	-	-	-	-	1,000	-	-	-	1,000
Recruitment and screening	327	1,091	73	224	216	1,931	44	87	131	2,062
Outside development/training	500	-	-	-	-	500	-	-	-	500
Membership dues	3,967	290	805	20	15	5,097	5	525	530	5,627
Total expenses	\$ 513,343	\$ 230,492	\$ 200,105	\$ 251,282	\$ 245,093	\$ 1,440,315	\$ 129,010	\$ 169,584	\$ 298,594	\$ 1,738,909

See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Functional Expenses, Continued
Year Ended June 30, 2017

	Program Services					Support Services				Total
	CAC	CASA	Community Program	Family Support	Circle Preschool	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and wages	\$ 275,564	\$ 188,713	\$ 78,084	\$ 151,871	\$ 184,256	\$ 878,488	\$ 72,765	\$ 117,271	\$ 190,036	\$ 1,068,524
Employee benefits	12,977	8,385	5,648	7,280	2,301	36,591	8,535	8,565	17,100	53,691
Payroll taxes	20,628	14,244	6,202	11,116	14,040	66,230	5,228	8,723	13,951	80,181
Occupancy expenses	86,879	27	7,577	18,957	5,027	118,467	11,363	18	11,381	129,848
Travel and meetings	7,611	7,245	2,180	2,359	1,011	20,406	847	4,966	5,813	26,219
Depreciation	4,918	2,459	820	3,279	2,459	13,935	820	1,639	2,459	16,394
Development and training	5,653	104	360	942	627	7,686	10	70	80	7,766
Postage and shipping	277	175	50	177	138	817	406	720	1,126	1,943
Telephone	9,743	760	732	2,210	760	14,205	972	507	1,479	15,684
Technology	3,322	5,721	554	2,214	1,661	13,472	554	1,107	1,661	15,133
Supplies	9,771	2,744	6,639	1,965	3,955	25,074	309	2,026	2,335	27,409
Printing and publications	4	139	2,391	3	2	2,539	1	813	814	3,353
Professional fees	13,880	-	-	-	2,600	16,480	32,857	-	32,857	49,337
Volunteer training	50	2,211	-	-	-	2,261	-	-	-	2,261
Volunteer recognition	35	18	6	23	17	99	6	12	18	117
Insurance	5,603	3,323	965	2,914	3,787	16,592	3,561	2,538	6,099	22,691
Equipment rental and maintenance	6,258	1,763	1,502	3,668	-	13,191	2,166	1,295	3,461	16,652
Program evaluation	-	-	-	500	209	709	-	-	-	709
Miscellaneous expenses	2,115	97	4	5,000	537	7,753	3,422	258	3,680	11,433
Bad debts	9,450	-	-	-	4,050	13,500	-	-	-	13,500
Recruitment and screening	428	1,065	54	286	257	2,090	99	88	187	2,277
Outside development/training	607	-	-	-	-	607	-	-	-	607
Membership dues	3,777	265	911	120	15	5,088	5	985	990	6,078
Total expenses	\$ 479,550	\$ 239,458	\$ 114,679	\$ 214,884	\$ 227,709	\$ 1,276,280	\$ 143,926	\$ 151,601	\$ 295,527	\$ 1,571,807

See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Cash Flows
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 333,026	\$ 279,704
Adjustments to reconcile change in net assets to net cash from operating activities:		
Stock donations	(21,998)	-
Depreciation	19,817	16,394
Loss on disposal of asset	772	-
Changes in assets and liabilities:		
Accounts receivable, net of allowances	1,909	(2,303)
Grants receivable	(37,768)	(5,015)
Pledges receivable	(9,756)	494
Prepaid expenses and other assets	(1,952)	(111)
Accounts payable	(5,959)	752
Accrued payroll liabilities	(13,539)	5,318
Deferred rent	<u>(7,341)</u>	<u>(4,780)</u>
Net cash provided by operating activities	<u>257,211</u>	<u>290,453</u>
Cash flows used in investing activities:		
Purchases of property and equipment	<u>(25,122)</u>	<u>(10,080)</u>
Change in cash	232,089	280,373
Cash, beginning of year	<u>1,007,446</u>	<u>727,073</u>
Cash, end of year	<u>\$ 1,239,535</u>	<u>\$ 1,007,446</u>

See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements

1. Organization and Business:

Greater Richmond SCAN (Stop Child Abuse Now), Inc. ("SCAN" or the "Organization") is a not-for-profit, charitable organization operated under Internal Revenue Code Section 501(c)(3).

SCAN, founded in 1991, is dedicated to the prevention and treatment of child abuse and neglect in the Greater Richmond, Virginia area. SCAN protects children from abuse and neglect by providing the awareness, support, education, and advocacy needed to enhance the lives of maltreated children. SCAN's services promote positive parenting, strengthen families, and help create a community that values and cares for its children. SCAN's programs include:

Child Advocacy Center ("CAC") – SCAN opened a child advocacy center in the City of Richmond in November 2004. Henrico Satellite CAC center was opened in March 2016. The Child Advocacy Center is a place for abused children and their non-offending family to receive child forensic interviews, mental health treatment, medical services, victim advocacy, multidisciplinary case review and case tracking in one physical location.

Court Appointed Special Advocates ("CASA") – The program provides trained volunteers who advocate for the best interests of children involved in the Juvenile and Domestic Relations District Court process. CASA also seeks to assure safe and permanent homes for all children.

Community Programs, encompassing all of SCAN's programs and initiatives at the organizational, community and state level, focuses on the prevention of child maltreatment through the advancement of protective factors and trauma-informed approaches. Community Programs includes: Trauma-Informed Community Network ("TICN"), a diverse group convened by SCAN of over 320 members from over 100 different organizations representing a wide range of systems, all with a shared commitment toward creating a more trauma-informed and resilient community; and Families are Magic ("FAM"), which offers parenting education and resources to parents, caregivers and professionals who work with children. Through its Public Education Program, SCAN also coordinates Greater Richmond's National Child Abuse Prevention Month public awareness campaign.

Family Support Program ("FSP") – SCAN's Family Support Program seeks to strengthen families and give caregivers the tools they need to provide healthy homes for their children. FSP provides services along a continuum, ranging from primary prevention activities, such as parent education workshops for grandparents and intimate partner violence survivors, to tertiary intervention, such as intensive, psycho-educational and treatment groups for families directly affected by abuse.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

1. Organization and Business, Continued:

Circle Preschool – In February 2011 SCAN began partnering with St. James’s Children’s Center to implement a pilot therapeutic preschool program for children who have experienced trauma called The Circle Preschool Program. The preschool is based on best practices grounded in national and local research and is the first of its kind in the Richmond area. Through the Circle Preschool Program, SCAN prepares children who have social and emotional challenges for long-term educational success before they enter kindergarten. The healing and growth at the Circle Preschool goes beyond the classroom to reach students, teachers and professionals throughout the Greater Richmond area and across the state through professional development, ongoing consultation, and speaking engagements to share staff expertise.

SCAN’s services are primarily funded through contributions, grants and revenues from special events.

2. Summary of Significant Accounting Policies:

Basis of Accounting: The accompanying financial statements of SCAN have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Basis of Presentation: GAAP requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires SCAN to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

GAAP also establishes standards for external financial reporting by not-for-profit organizations. 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 that have similar characteristics have been combined in similar categories as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by the Board of Directors.

Temporarily restricted net assets – Net assets whose use by SCAN is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of SCAN pursuant to those stipulations.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that will be maintained permanently by SCAN. SCAN did not have any permanently restricted net assets as of June 30, 2018 and 2017.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Basis of Presentation, Continued: Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional pledges, are recognized as revenues in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Gifts of securities are recorded at their fair market value when received. At June 30, 2018, the Organization had received securities for a fair market value of \$21,998 which were sold after year end. Special events are presented as net amounts as they are considered peripheral to the organization's central activities.

The value of contributed services that either (a) created or enhanced a nonfinancial asset or (b) required specialized skills, was provided by individuals possessing those skills, and would typically need to be purchased if not contributed, amounted to \$20,967 for 2018 and \$35,586 for 2017 and have been recognized in the financial statements.

Receivables: SCAN uses the reserve method of accounting for bad debts. The allowance for doubtful accounts amounted to \$1,000 for 2018 and \$13,500 for 2017.

Property and Equipment: Property and equipment is stated at cost, net of accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. Equipment and leasehold improvements have a useful life of three to seven years, while furniture has a useful life of five to seven years. Repairs and maintenance are expensed as incurred.

Estimates: The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

Credit Risk: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, accounts receivable, grants receivable, and pledges receivable. SCAN places its cash with a financial institution located in Richmond, Virginia. At times, these balances are in excess of the FDIC insurance limit. Accounts receivable are from various third party reimbursements. Pledges receivable are from individuals, corporations and foundations located primarily in the United States of America. Grants receivable are from various government organizations. SCAN believes its credit risk related to these receivables is limited due to the number and diversity of its donors.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Income Tax Uncertainties: The Organization follows guidance related to accounting for uncertainty in income taxes, which clarifies the accounting for income taxes by prescribing the minimum recognition threshold that a tax position is required to meet before being recognized in the Organization's financial statements. In accordance with the guidance, the Organization discloses the expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the facts and the Organization's position and records unrecognized tax benefits or liabilities for known, or anticipated tax issues based on the Organization's analysis of whether additional taxes would be due to the authority given their full knowledge of the tax position. The Organization has completed its assessment and determined that there were no tax positions which would require recognition. The Organization is not currently under audit by any tax jurisdiction.

New Accounting Guidance:

Not-For Profit Entities: In August 2016, FASB issued ASU No. 2016-14, "Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities", which both simplifies certain aspects of reporting required by not-for-profit organizations and increases disclosures with a goal to improve the usefulness of not-for-profit financial statements to the various stakeholders, including management, directors, lenders, and donors. Significant changes include the following:

- Replaces the existing three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) with two new classes of net assets—net assets with donor restrictions and net assets without donor restrictions
- Changes the net asset classification of the underwater amounts of donor-restricted endowment funds to be shown as a component of *net assets with donor restrictions* and requires additional disclosures for underwater endowment funds
- Requires all not-for-profits to provide expenses by nature and function
- Requires expansive disclosures (both quantitative and qualitative) of information about liquidity and availability of resources

The amendments in this ASU are effective for fiscal years beginning after December 15, 2017 with early adoption permitted. The Foundation has elected not to early adopt this ASU and intends to adopt it prior to the required transition date.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

New Accounting Guidance, Continued:

Leases: In February 2016, the FASB issued new guidance over leases which requires that all leasing activity with initial terms in excess of twelve months be recognized on the balance sheet with a right of use asset and a lease liability. The standard will require entities to classify leases as either a finance, or operating lease based upon the contractual terms. For finance leases, the right to use asset and lease liability will be calculated based upon the present value of the lease payments. The asset will then be amortized and the interest on the obligation will be recognized separately within the statement of operations. On the statement of cash flows, the principal portion of the finance lease payments will be classified as a financing activity. For operating leases, the right to use asset and lease liability will also be calculated based upon the present value of the lease payments. However, the cost of the lease will generally be allocated over the lease term on a straight-line basis and presented as a single expense on the statement of operations. On the statement of cash flows, all cash payments for operating leases will be classified as an operating activity. The new standard will be effective for periods beginning after December 15, 2019, and will require entities to use a modified retrospective approach to the earliest period presented. The Organization is currently evaluating the reporting and economic implications of the new standard.

Subsequent Events: Management has evaluated subsequent events through November 1, 2018, the date the financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying financial statements.

3. Pledges Receivable:

At June 30, 2018 and 2017, SCAN had received unconditional promises to give amounting to \$40,503 and \$30,747, respectively. Unconditional promises to give are expected to be collected in the subsequent fiscal year.

4. Line of Credit:

The Organization has available a \$75,000 operating line of credit with a bank due in May 2019. Interest on funds advanced is payable monthly at the bank's prime rate plus 6.75% (11.75% at June 30, 2018). The line of credit is secured by substantially all the assets of the Organization. At June 30, 2018 and 2017, there were no balances outstanding on the line of credit.

5. Defined Contributions Plan:

SCAN has adopted a defined contribution plan (the "Plan") under Section 403(b) of the Internal Revenue Code. During 2018 and 2017, the Plan provided for a non-discretionary match of 25% of employee contributions up to a maximum employee deferral of 8%. Expenses associated with this Plan were \$7,556 for 2018 and \$5,479 for 2017.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

6. Operating Leases:

On April 1, 2014, SCAN entered into an operating lease for office space on Grace Street in downtown Richmond. The facility is used to house SCAN's Child Advocacy Center and administrative offices. This new lease is a combination of an existing lease of the previous space leased on 103 E. Grace Street and an addition of 101 E Grace Street under one lease. The lease is set to expire on March 31, 2019.

On February 1, 2016 SCAN entered into an operating lease for office space on Bremo Road in Richmond. The facility is used to house SCAN's Child Advocacy Center. This lease is set to expire on December 31, 2020.

The minimum lease payments for the office leases at June 30, 2018 were as follows:

<u>Year Ended June 30:</u>	<u>Amount</u>
2019	\$ 113,248
2020	47,259
2021	<u>23,979</u>
	<u>\$ 184,486</u>

The total amount of rental payments due over the lease term is being charged to rent expense on the straight-line method over the term of the lease. The difference between rent expense recorded and the amount paid is credited to deferred rent in the accompanying Statements of Financial Position. Deferred rent was \$6,976 for 2018 and \$14,317 for 2017.

Rent expense was \$132,094 for 2018 and \$128,768 for 2017.

7. Temporarily Restricted Net Assets:

Net assets were temporarily restricted based on donor imposed restrictions to be used towards the following specified programs or services as of June 30:

	<u>2018</u>	<u>2017</u>
Family Support Program	\$ 99,773	\$ 53,179
Administration	2,812	36,721
Community Program	165,596	26,228
Child Advocacy Center	26,033	85,511
Circle Preschool	2,059	17,295
Travel and supplies	<u>6,679</u>	<u>-</u>
	<u>\$ 302,952</u>	<u>\$ 218,934</u>

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

7. Temporarily Restricted Net Assets, Continued:

Temporarily restricted net assets released from restrictions were as follows for the year ended June 30:

	<u>2018</u>	<u>2017</u>
CASA	\$ 10,000	\$ 10,000
Family Support Program	152,531	104,668
Administration	33,909	11,279
Community Program	79,592	33,214
Child Advocacy Center	133,478	190,248
Circle Preschool	156,831	95,680
Travel and supplies	<u>13,321</u>	<u>-</u>
	<u>\$ 579,662</u>	<u>\$ 445,089</u>

8. Related Party Transactions:

A member of the Board of Directors owns one third of the 101/103 Grace Street property leased by the Organization. The Organization makes monthly lease payments on this property to a third party management company (see Note 6).