

Children's Advocacy Center of Collin County, Inc.

**Financial Statements
June 30, 2023 and 2022**



Children's Advocacy Center of Collin County, Inc.

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Independent Auditors' Report

To the Board of Directors of
Children's Advocacy Center of Collin County, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Children's Advocacy Center of Collin County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Advocacy Center of Collin County, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Children's Advocacy Center of Collin County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Advocacy Center of Collin County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Children's Advocacy Center of Collin County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Advocacy Center of Collin County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Arlington, Texas
November 16, 2023



A Limited Liability Partnership

Children's Advocacy Center of Collin County, Inc.
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,410,333	\$ 4,961,499
Investments	1,165,572	1,039,484
Other receivables	32,259	8,099
Government grants receivable	278,742	175,904
Unconditional promises to give, net	207,977	73,211
Prepaid expenses	186,428	259,576
Total current assets	5,281,311	6,517,773
Noncurrent assets:		
Unconditional promises to give, net - long-term	183,544	134,247
Assets restricted for capital campaign (Note 6):		
Cash and cash equivalents	-	924,655
Unconditional promises to give, net	-	1,145,813
Land	-	1,345,000
Construction in progress	-	8,373,522
Property and equipment, net (Note 7)	16,286,637	5,047,487
Total assets	\$ 21,751,492	\$ 23,488,497
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 193,716	\$ 1,801,829
Refundable advance	-	19,405
Deferred revenue	37,194	37,944
Total current liabilities	230,910	1,859,178
Net assets:		
Without donor restrictions	21,322,786	9,736,251
With donor restrictions	197,796	11,893,068
Total net assets	21,520,582	21,629,319
Total liabilities and net assets	\$ 21,751,492	\$ 23,488,497

See notes to financial statements.

Children’s Advocacy Center of Collin County, Inc.
Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 2,201,404	\$ 238,179	\$ 2,439,583
Contributions of nonfinancial assets	697,632	-	697,632
Texas Children's Advocacy Center	961,733	-	961,733
Government grants	1,338,182	-	1,338,182
Special events (net of direct costs of \$517,335)	897,026	-	897,026
Rent from partner agencies	493,939	-	493,939
Investment income, net	101,701	-	101,701
Other income	165,071	-	165,071
Net assets released from restrictions	11,903,951	(11,903,951)	-
Total support and revenue	18,760,639	(11,665,772)	7,094,867
Expenses:			
Program services	5,917,237	-	5,917,237
Management and general	414,689	-	414,689
Fundraising	842,178	-	842,178
Total expenses	7,174,104	-	7,174,104
Change in net assets from operations	11,586,535	(11,665,772)	(79,237)
Bad debt loss	-	(29,500)	(29,500)
Change in net assets	11,586,535	(11,695,272)	(108,737)
Net assets, beginning of year	9,736,251	11,893,068	21,629,319
Net assets, end of year	\$ 21,322,786	\$ 197,796	\$ 21,520,582

See notes to financial statements.

Children’s Advocacy Center of Collin County, Inc.
Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 2,398,316	\$ 1,007,356	\$ 3,405,672
Contributions of nonfinancial assets	595,233	418,598	1,013,831
Texas Children's Advocacy Center	843,907	-	843,907
Government grants	1,382,368	-	1,382,368
Special events (net of direct costs of \$605,471)	1,052,869	-	1,052,869
Rent from partner agencies	492,911	-	492,911
Investment loss, net	(131,146)	-	(131,146)
Other income	168,994	-	168,994
Net assets released from restrictions	12,666	(12,666)	-
Total support and revenue	6,816,118	1,413,288	8,229,406
Expenses:			
Program services	5,176,449	-	5,176,449
Management and general	551,156	-	551,156
Fundraising	729,528	-	729,528
Total expenses	6,457,133	-	6,457,133
Change in net assets	358,985	1,413,288	1,772,273
Net assets, beginning of year	9,377,266	10,479,780	19,857,046
Net assets, end of year	\$ 9,736,251	\$ 11,893,068	\$ 21,629,319

See notes to financial statements.

Children’s Advocacy Center of Collin County, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services	Management and General	Fundraising	Total
Payroll costs	\$ 3,818,611	\$ 293,481	\$ 643,731	\$ 4,755,823
Professional services	138,107	53,684	83,554	275,345
Building occupancy	282,894	13,232	9,097	305,223
Supplies	58,358	5,967	2,963	67,288
Equipment	33,978	2,180	1,323	37,481
Communication	80,160	3,860	7,049	91,069
Education	90,727	6,420	5,140	102,287
Travel	49,198	2,611	9,917	61,726
Insurance	95,937	4,178	3,095	103,210
Depreciation	421,446	22,225	16,859	460,530
Client services	167,310	-	-	167,310
Client assistance - nonfinancial assets	648,602	-	-	648,602
Direct costs of special events	-	-	517,335	517,335
Dues	11,899	1,903	624	14,426
Miscellaneous	20,010	4,948	58,826	83,784
Total expense by function	5,917,237	414,689	1,359,513	7,691,439
Less expenses included with revenues on the statement of activities - Direct costs of special events	-	-	(517,335)	(517,335)
Total expenses included in the expense section on the statement of activities	<u>\$ 5,917,237</u>	<u>\$ 414,689</u>	<u>\$ 842,178</u>	<u>\$ 7,174,104</u>

See notes to financial statements.

Children's Advocacy Center of Collin County, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services	Management and General	Fundraising	Total
Payroll costs	\$ 3,408,348	\$ 438,162	\$ 600,804	\$ 4,447,314
Professional services	121,036	55,627	51,287	227,950
Building occupancy	239,934	9,523	7,020	256,477
Supplies	111,485	6,107	2,347	119,939
Equipment	73,819	3,313	2,247	79,379
Communication	61,308	4,355	5,761	71,424
Education	97,564	9,262	3,192	110,018
Travel	34,064	2,568	5,367	41,999
Insurance	77,810	6,185	4,751	88,746
Depreciation	209,735	10,759	8,150	228,644
Client services	113,713	-	-	113,713
Client assistance - nonfinancial assets	595,233	-	-	595,233
Direct costs of special events	-	-	605,671	605,671
Capital Campaign	-	-	9,934	9,934
Dues	12,832	1,237	1,308	15,377
Miscellaneous	19,568	4,058	27,360	50,986
Total expense by function	5,176,449	551,156	1,335,199	7,062,804
Less expenses included with revenues on the statement of activities - Direct costs of special events	-	-	(605,671)	(605,671)
Total expenses included in the expense section on the statement of activities	\$ 5,176,449	\$ 551,156	\$ 729,528	\$ 6,457,133

See notes to financial statements.

Children’s Advocacy Center of Collin County, Inc.
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (108,737)	\$ 1,772,273
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	460,530	228,644
Realized and unrealized (gains) losses on investments	(39,475)	158,870
Change in allowance for doubtful pledges	29,500	-
Change in discount on unconditional promises to give	(10,100)	17,817
Donated services for capital campaign	(49,030)	(418,598)
Contributions restricted for capital campaign	(48,135)	(856,827)
Changes in operating assets and liabilities:		
Other receivables	(24,160)	(997)
Government grants receivable	(102,838)	148,991
Unconditional promises to give	1,320	(5,885)
Prepaid expenses	73,148	6,881
Accounts payable and accrued expenses	(1,608,113)	151,033
Refundable advance	(19,405)	(38,088)
Deferred revenue	(750)	259
	(1,446,245)	1,164,373
Cash flows from investing activities:		
Purchases of property and equipment	(1,932,128)	(6,154,611)
Proceeds from investments	264,788	-
Purchases of investments	(351,401)	(22,145)
	(2,018,741)	(6,176,756)
Cash flows from financing activities:		
Collections of contributions restricted for capital campaign	989,165	2,320,951
	(2,475,821)	(2,691,432)
Change in cash and cash equivalents		
Cash and cash equivalents at beginning of year	5,886,154	8,577,586
Cash and cash equivalents at end of year	\$ 3,410,333	\$ 5,886,154
Reconciliation of cash and cash equivalents and restricted cash and cash equivalents reported within the statement of financial position to the statement of cash flows:		
Cash and cash equivalents	\$ 3,410,333	\$ 4,961,499
Restricted cash and cash equivalents	-	924,655
	\$ 3,410,333	\$ 5,886,154
Supplemental disclosure of noncash investing activities:		
Construction in progress accrued in accounts payable at year end	\$ -	\$ 1,399,076

See notes to financial statements.

Children's Advocacy Center of Collin County, Inc.

Notes to Financial Statements

1. Organization

Children's Advocacy Center of Collin County, Inc. (Center), a Texas non-profit organization, is classified by the Internal Revenue Service (IRS) as tax-exempt under Section 501(c)(3). The Center's mission is to provide safety, healing and justice for children victimized by abuse and neglect in our community. The Center offers a multi-disciplinary team approach where law enforcement, Texas Department of Family and Protective Services, prosecution, medical and mental health professionals work together as a team under one roof. The Center operates by bringing services to the child instead of the child going from place to place to tell their stories and get help. The Center provides the following core services: Forensic Interviews, Family Advocacy and Support Services, Therapeutic Counseling, Community Education and Child Protective Services. The Center operates on contributions received from individuals, businesses and civic organizations, and from special fundraising events. The Center also receives governmental grants, some of which are passed through national and state advocacy centers.

2. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a future period.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Center to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a spending policy approved by the board of directors. As of June 30, 2023 and 2022, no such net asset restrictions existed.

Children's Advocacy Center of Collin County, Inc.

Notes to Financial Statements

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions with donor-imposed restrictions that are met in the same year as the contributions were received are reported as net assets without donor restrictions. Donor restrictions on contributions of property and equipment and contributions restricted for the purchase or construction of property expire when the assets are placed in service unless the donor explicitly stipulated otherwise.

Credit and Market Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash and cash equivalents, investments, government grants receivable and unconditional promises to give. The Center places cash and cash equivalents, which at times may exceed the federally insured limits, with high credit quality financial institutions to minimize risk. As of June 30, 2023 the uninsured amounts totaled \$284,829. The Center has not experienced losses on such assets.

The Center's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of investments to the Center's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of the investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes.

Unconditional promises to give are unsecured and are due from various donors. Government grants receivable are unsecured and are due from various grantors. The Center continually evaluates the collectability of unconditional promises to give and government grants receivable and maintains allowances as necessary.

At June 30, 2023 and 2022, approximately 96% and 95%, respectively, of government grants receivable were due from one agency. At June 30, 2023 and 2022, approximately 44% and 55%, respectively, of unconditional promises to give, net were due from two donors.

Children's Advocacy Center of Collin County, Inc.

Notes to Financial Statements

The Center operates entirely within the Collin County, Texas area. Therefore, financial activities are subject to the economic conditions of the area. For the year ended June 30, 2023 and 2022, the Center received approximately 32% and 27% of its support and revenue from funds originating from federal, state and local government agencies, respectively. Continuation of such funding at current levels in future periods is subject to various factors such as economic conditions, compliance with grant provisions, potential new legislation and continued applicability of mission.

Cash and Cash Equivalents

The Center considers highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.

Investments

The Center's investments consist of exchange traded funds and mutual funds are carried at fair value. Realized gains and losses are recorded as the difference between historical cost and fair value, and are shown on a net basis. Unrealized gains and losses are recorded for the change in fair value of investments between reporting periods.

Property and Equipment

The Center capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment are reported at cost. Donations of property and equipment are recorded as contributions at their estimated fair value on the date donated. Property and equipment are depreciated using the straight-line method over estimated useful lives of the assets, which range from 3 to 50 years.

Impairment of Long Lived Assets

The Center reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment included current operating results, trends and prospects and the effects of obsolescence, demand completion and other economic factors. There were no indications of asset impairment during the years ended June 30, 2023 and 2022.

Children's Advocacy Center of Collin County, Inc.

Notes to Financial Statements

Revenue Recognition

The Center recognizes contributions when cash, securities, other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

A portion of the Center's revenue is derived from cost-reimbursable government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Center was awarded cost reimbursable grants of \$674,497 and \$395,552 that have not been recognized as revenue at June 30, 2023 and 2022, respectively, because qualifying expenditures have not yet been incurred. The Center's costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the financial position or changes in net assets of the Center.

Donated goods and services are reflected as contributions at their estimated fair values at date of receipt. The Center recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents expenses by function and natural classification. Certain costs are charged directly to the functions they benefit. Other expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include building occupancy and depreciation, which are allocated on a square footage basis, as well as payroll costs, professional services, supplies, equipment, communication, education, travel, insurance, client assistance and miscellaneous which are allocated on the basis of estimates of time and effort.

Children’s Advocacy Center of Collin County, Inc.
Notes to Financial Statements

Income Taxes

The Center is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and has not been classified as a private foundation as defined in the IRC. Income generated from activities unrelated to the Center’s exempt purpose is subject to tax under IRC Section 511. The Center had no unrelated business income for the years ended June 30, 2023 and 2022. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Center’s tax return and recognition of a tax liability (or asset) if the Center has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Center and has concluded that as of June 30, 2023 and 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of 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 estimated.

Accounting Pronouncement Adopted

The Center adopted Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The guidance in the ASU supersedes the current leasing guidance. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The Center determined that the current lease obligations would not fall under the scope of the new lease standard or were not significant enough to be recorded in accordance with the standard.

Children’s Advocacy Center of Collin County, Inc.
Notes to Financial Statements

3. Investments

Fair Value Measurements

Under the Fair Value Measurements and Disclosures topic of the Accounting Standards Codification (ASC), disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

- Level 1 Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

- Level 2 Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies;

- Level 3 Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy. All investments of the Center are classified within Level 1 of the valuation hierarchy.

Exchange Traded Funds and Mutual Funds

These investments are public investment vehicles using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market.

Children’s Advocacy Center of Collin County, Inc.
Notes to Financial Statements

The following table sets forth the Center’s investments at estimated fair value as of June 30:

	<u>2023</u>	<u>2022</u>
Exchange traded funds	\$ 495,089	\$ 456,920
Mutual funds	<u>670,483</u>	<u>582,564</u>
Total	<u>\$ 1,165,572</u>	<u>\$ 1,039,484</u>

Investment income (loss) consists of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 69,301	\$ 35,676
Realized and unrealized gains (losses)	39,475	(158,870)
Investment fees	<u>(7,075)</u>	<u>(7,952)</u>
Investment income (loss), net	<u>\$ 101,701</u>	<u>\$ (131,146)</u>

4. Government Grants Receivable

Government grants receivable consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
Victims of Crime Act Grant	\$ 149,400	\$ 102,514
Other Victim Assistance Grant	9,823	7,931
CAC of Texas, Inc. Grant	74,994	13,426
CAC of Texas Mental Health Grant	<u>44,525</u>	<u>52,033</u>
Total	<u>\$ 278,742</u>	<u>\$ 175,904</u>

Children’s Advocacy Center of Collin County, Inc.
Notes to Financial Statements

5. Unconditional Promises to Give

Unconditional promises to give consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Unconditional promises to give	\$ 518,396	\$ 1,460,746
Less: allowance for doubtful pledges	<u>(107,302)</u>	<u>(77,802)</u>
	411,094	1,382,944
Less: unamortized discount	<u>(19,573)</u>	<u>(29,673)</u>
Total	<u>\$ 391,521</u>	<u>\$ 1,353,271</u>
Due in one year or less	\$ 207,977	\$ 938,715
Due from one year to five years	<u>183,544</u>	<u>414,556</u>
Total	<u>\$ 391,521</u>	<u>\$ 1,353,271</u>

Reconciliation to statements of financial position:

	<u>2023</u>	<u>2022</u>
Unconditional promises to give, net	\$ 207,977	\$ 73,211
Unconditional promises to give, net - long-term	183,544	134,247
Unconditional promises to give, net - restricted for capital campaign	<u>-</u>	<u>1,145,813</u>
Total unconditional promises to give, net	<u>\$ 391,521</u>	<u>\$ 1,353,271</u>

At June 30, 2023 and 2022, the discount rate utilized in computing the net present value of long-term pledges was 4.13% and 3.01%, respectively.

Children's Advocacy Center of Collin County, Inc.

Notes to Financial Statements

6. Assets Restricted for Capital Campaign

During the year ended June 30, 2019, the Center initiated a capital campaign to identify and construct an additional facility in North Collin County. At June 30, 2022, net assets restricted for the capital campaign include:

Cash and cash equivalents	\$ 924,655
Unconditional promises to give, net	1,145,813
Land	1,345,000
Construction in progress	<u>8,373,522</u>
	<u>\$ 11,788,990</u>

The North Collin County facility opened on August 22, 2022. At that time, the building and land was placed in service, and the related net assets with donor restrictions from the capital campaign were released from restriction.

7. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 2,045,000	\$ 700,000
Building	14,879,761	4,632,681
Building improvements	2,757,196	2,689,596
Furniture and equipment	1,593,040	1,553,040
Software	<u>33,130</u>	<u>33,130</u>
	21,308,127	9,608,447
Less: accumulated depreciation	<u>(5,021,490)</u>	<u>(4,560,960)</u>
Property and equipment, net	<u>\$ 16,286,637</u>	<u>\$ 5,047,487</u>

Depreciation expense for the years ended June 30, 2023 and 2022 totaled \$460,530 and \$228,644, respectively.

Children’s Advocacy Center of Collin County, Inc.
Notes to Financial Statements

8. Contributions of Nonfinancial Assets

The Center recognized the following contributions of nonfinancial assets during the year ended June 30, 2023:

	Program Services	Assets	Total
Clinical and social service interns	\$ 439,330	\$ -	\$ 439,330
Holiday toys and gifts	103,423	-	103,423
School supplies	52,641	-	52,641
Clothing	53,208	-	53,208
Capitalized construction services	-	49,030	49,030
	<u>\$ 648,602</u>	<u>\$ 49,030</u>	<u>\$ 697,632</u>

The Center recognized the following contributions of nonfinancial assets during the year ended June 30, 2022:

	Program Services	Assets	Total
Clinical and social service interns	\$ 413,009	\$ -	\$ 413,009
Holiday toys and gifts	120,259	-	120,259
School supplies	54,295	-	54,295
Clothing	7,670	-	7,670
Capitalized construction services	-	418,598	418,598
	<u>\$ 595,233</u>	<u>\$ 418,598</u>	<u>\$ 1,013,831</u>

Clinical and social service interns

Contributed clinical and social service interns are valued and reported at the standard rate paid for an entry level position in each respective job.

Holiday toys, gifts, school supplies and clothing

Contributed holiday toys, gifts, school supplies and clothing are reported at fair value using retail prices. If fair market value information is unavailable, the value is calculated using retail value obtained from suppliers having comparable goods.

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Capitalized construction services

Contributed capitalize construction services are valued and reported at the standard invoice rate provided by the donor.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of amounts restricted by donors for the following purposes at June 30:

	2023	2022
Time restricted	\$ 183,544	\$ -
Capital campaign	-	11,788,990
Thermostat and parking lot repairs	6,597	63,271
Furnishings for new site	-	37,366
Community education-stereo	2,208	-
Blind and visually impaired	3,000	-
Mattress, bunkbeds and summer-clothes Programs	2,447	-
	-	3,441
	\$ 197,796	\$ 11,893,068

10. Leases

The Center leases office equipment under noncancelable lease agreements ending in 2027. Future minimum payments under these lease agreements are as follows for the years ending June 30:

2024	\$ 15,795
2025	10,341
2026	4,887
2027	3,666
Total	\$ 34,689

The Center leases office space in its building to partnering agencies under cancelable operating leases. Rent (including reimbursements for utility costs) from partnering agencies for the years ended June 30, 2023 and 2022 totaled \$493,939 and \$492,911, respectively. One tenant represents approximately 85% and 88% of total rent revenue for the years ended June 30, 2023 and 2022, respectively.

Children’s Advocacy Center of Collin County, Inc.

Notes to Financial Statements

11. Employee Benefit Plan

The Center has a 401(k) plan for eligible employees. For the years ended June 30, 2023 and 2022, the Center matched employee contributions up to 3% of the employee’s salary. The Center’s contributions totaled \$81,470 and \$83,698 for the years ended June 30, 2023 and 2022, respectively.

12. Commitments

The Center entered into contracts for construction of the North Collin County facility. At June 30, 2022, unpaid commitments under these contracts totaled \$1,583,863. During the year ended June 30, 2023 these commitments were paid in full and the facility was placed in service.

13. Liquidity and Availability of Resources

The Center’s financial assets available within one year of the statement of financial position date for general expenditure are as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 3,410,333	\$ 5,886,154
Investments	1,165,572	1,039,484
Other receivables	32,259	8,099
Government grants receivable	278,742	175,904
Unconditional promises to give, net	<u>391,521</u>	<u>1,353,271</u>
Total financial assets	5,278,427	8,462,912
Less amounts not available for general expenditures within one year:		
Financial assets restricted for capital campaign:		
Cash and cash equivalents	-	(924,655)
Unconditional promises to give, net	-	(1,145,813)
Restricted by donors for specific purposes	(14,252)	(100,637)
Other unconditional promises to give - due after one year, net	<u>(183,544)</u>	<u>(134,247)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,080,631</u>	<u>\$ 6,157,560</u>

The Center manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stabilities, maintaining adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Children’s Advocacy Center of Collin County, Inc.
Notes to Financial Statements

14. Subsequent Events

The Center has evaluated subsequent events through November 16, 2023, the date the financial statements were available to be issued, and concluded that no additional disclosures are required.