

**THE CHILD ADVOCACY CENTER OF
GREATER ROCHESTER**

**Financial Statements as of
December 31, 2024
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

August 18, 2025

To the Board of Directors of
The Child Advocacy Center of Greater Rochester:

Opinion

We have audited the accompanying financial statements of The Child Advocacy Center of Greater Rochester (a New York nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year 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 The Child Advocacy Center of Greater Rochester as of December 31, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of The Child Advocacy Center of Greater Rochester as of December 31, 2023 were audited by other auditors whose report dated June 27, 2024 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 The Child Advocacy Center of Greater Rochester's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

(Continued)

171 Sully's Trail
Pittsford, NY 14534
p (585) 381-1000
f (585) 381-3131

www.bonadio.com

INDEPENDENT AUDITOR'S REPORT

(Continued)

Auditor's 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 auditor's 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 generally accepted 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 generally accepted 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 The Child Advocacy Center of Greater Rochester'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 The Child Advocacy Center of Greater Rochester'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.

THE CHILD ADVOCACY CENTER OF GREATER ROCHESTER

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,495,910	\$ 1,698,858
Grants receivable	447,572	450,742
Other receivables	19,357	29,648
Current portion of contributions receivable	1,207,190	209,004
Prepaid expenses	<u>146,842</u>	<u>125,741</u>
Total current assets	5,316,871	2,513,993
INVESTMENTS	2,465,018	2,263,173
CONTRIBUTIONS RECEIVABLE, net	2,686,518	170,250
OPERATING LEASES RIGHT-OF-USE ASSETS	35,865	62,274
PROPERTY AND EQUIPMENT, net	<u>4,631,865</u>	<u>4,519,159</u>
Total assets	<u>\$ 15,136,137</u>	<u>\$ 9,528,849</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 67,829	\$ 111,557
Current portion of operating lease liabilities	14,794	10,296
Accrued payroll and employee benefits	185,573	161,139
Refundable advances	<u>163,291</u>	<u>185,573</u>
Total current liabilities	431,487	468,565
OPERATING LEASE LIABILITIES, net of current portion	<u>21,071</u>	<u>51,978</u>
Total liabilities	<u>452,558</u>	<u>520,543</u>
NET ASSETS:		
Without donor restrictions:		
Undesignated	6,255,453	5,967,365
Board designated	<u>2,465,018</u>	<u>2,263,173</u>
Total without donor restrictions	8,720,471	8,230,538
With donor restrictions	<u>5,963,108</u>	<u>777,768</u>
Total net assets	<u>14,683,579</u>	<u>9,008,306</u>
Total liabilities and net assets	<u>\$ 15,136,137</u>	<u>\$ 9,528,849</u>

The accompanying notes are an integral part of these statements.

THE CHILD ADVOCACY CENTER OF GREATER ROCHESTER

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2024 (With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2024	2023
OPERATING REVENUE AND SUPPORT:				
Contributions	\$ 288,945	\$ 6,302,675	\$ 6,591,620	\$ 508,696
Foundation grants	236,789	225,000	461,789	784,234
Government grants and contracts	1,590,583	-	1,590,583	1,338,764
Partner agency fees	160,758	-	160,758	159,781
Special events, net of direct expenses of \$490,938 and \$241,186 in 2024 and 2023, respectively	692,869	-	692,869	590,066
Other	14,299	-	14,299	-
Net assets released from restrictions and transfers	<u>1,342,335</u>	<u>(1,342,335)</u>	<u>-</u>	<u>-</u>
Total operating revenue and support	<u>4,326,578</u>	<u>5,185,340</u>	<u>9,511,918</u>	<u>3,381,541</u>
EXPENSES:				
Program services	2,931,855	-	2,931,855	2,559,378
Management and general	506,122	-	506,122	325,343
Fundraising	<u>683,516</u>	<u>-</u>	<u>683,516</u>	<u>534,474</u>
Total expenses	<u>4,121,493</u>	<u>-</u>	<u>4,121,493</u>	<u>3,419,195</u>
EXCESS (DEFICIENCY) OF OPERATING REVENUE AND SUPPORT OVER EXPENSES	205,085	5,185,340	5,390,425	(37,654)
INVESTMENT INCOME, net	<u>284,848</u>	<u>-</u>	<u>284,848</u>	<u>216,704</u>
CHANGE IN NET ASSETS	489,933	5,185,340	5,675,273	179,050
NET ASSETS - beginning of year	<u>8,230,538</u>	<u>777,768</u>	<u>9,008,306</u>	<u>8,829,256</u>
NET ASSETS - end of year	<u>\$ 8,720,471</u>	<u>\$ 5,963,108</u>	<u>\$ 14,683,579</u>	<u>\$ 9,008,306</u>

The accompanying notes are an integral part of these statements.

THE CHILD ADVOCACY CENTER OF GREATER ROCHESTER

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024 (With Comparative Totals for 2023)

	Program Services	Management and General	Fundraising	Total	
				2024	2023
Salaries	\$ 1,708,986	\$ 279,760	\$ 351,177	\$ 2,339,923	\$ 1,955,786
Payroll taxes	127,685	20,902	26,238	174,825	142,852
Employee benefits	237,906	38,945	48,887	325,738	271,499
Total personnel costs	2,074,577	339,607	426,302	2,840,486	2,370,137
Professional fees	174,610	83,917	113,334	371,861	380,651
Occupancy	266,412	9,958	15,415	291,785	282,817
Depreciation	138,203	6,796	9,927	154,926	135,669
Training, travel and meetings	60,384	48,556	7,065	116,005	65,368
Marketing expense	34,800	-	61,040	95,840	12,423
Program supplies	93,836	-	-	93,836	46,951
Office expenses	53,631	5,972	21,560	81,163	75,411
Other expenses	35,402	11,316	28,873	75,591	49,768
	2,931,855	506,122	683,516	4,121,493	3,419,195
Event expenses	-	-	490,938	490,938	241,186
	\$ 2,931,855	\$ 506,122	\$ 1,174,454	\$ 4,612,431	\$ 3,660,381

The accompanying notes are an integral part of these statements.

THE CHILD ADVOCACY CENTER OF GREATER ROCHESTER

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024 (With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 5,675,273	\$ 179,050
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	154,926	135,669
Bad debt expense	-	1,272
Realized and unrealized gain on investments, net	(140,446)	(164,460)
Changes in:		
Grants receivable	3,170	(204,155)
Other receivables	10,291	(11,055)
Contributions receivable	(3,514,454)	(252,776)
Prepaid expenses	(21,101)	(97,382)
Accounts payable and accrued expenses	(43,728)	63,019
Accrued payroll and employee benefits	24,434	28,538
Refundable advances	<u>(22,282)</u>	<u>(36,084)</u>
Net cash flow from operating activities	<u>2,126,083</u>	<u>(358,364)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(267,632)	(510,045)
Proceeds from investments	61,867	86,182
Purchases of investments	<u>(123,266)</u>	<u>(159,021)</u>
Net cash flow from investing activities	<u>(329,031)</u>	<u>(582,884)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	1,797,052	(941,248)
CASH AND CASH EQUIVALENTS - beginning of year	<u>1,698,858</u>	<u>2,640,106</u>
CASH AND CASH EQUIVALENTS- end of year	<u>\$ 3,495,910</u>	<u>\$ 1,698,858</u>

The accompanying notes are an integral part of these statements.

THE CHILD ADVOCACY CENTER OF GREATER ROCHESTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

1. THE ORGANIZATION

The Child Advocacy Center of Greater Rochester (the Organization) is a nonprofit organization that offers a safe, welcoming place where children who have been sexually or physically abused can begin their journey of healing. The Organization facilitates a multidisciplinary team of professionals that includes 24 partner agencies and provides the physical space where cases of child sexual and severe physical abuse, whenever possible and practical are investigated, evaluated, and treated. The Organization evaluates children for child sexual abuse, severe physical abuse, and children who have been a witness to violence. Children seen are assigned a family advocate, will receive a forensic interview, may be referred to mental health services, and may receive a medical exam. The Organization also leads the Monroe County Child Fatality Review Team, which evaluates all sudden, unexplained, or unexpected child fatalities. The Organization addresses prevention of child abuse by providing community-based education and outreach programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Comparative Amounts

The financial statements include certain prior year summarized comparative information in total, but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended December 31, 2023, from which the summarized information was derived.

Financial Reporting

The Organization reports its net assets and changes therein in the following classifications:

- Net assets without donor restrictions are net assets that are not subject to donor imposed stipulations. In addition, they include net assets designated by the Organization's governing Board for future use. By Board of Directors' resolution, certain net assets without donor restrictions have been designated for various purposes. Since these funds were not restricted by a donor, the Board can remove its self-imposed designation.
- Net assets with donor restrictions are net assets whose use by the Organization is limited by donor imposed stipulations. This includes stipulations that can be fulfilled or removed by actions of the Organization pursuant to the donor stipulations or by the passage of time, as well as donor imposed restrictions that do not expire (i.e. endowments). Generally, the donors of these assets permit the Organization to use all or a part of investment return on these assets to support program activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support, Revenue and Receivables

The Organization's revenue is primarily derived from cost-reimbursable federal, state, county, and foundation 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 Organization has incurred expenditures in compliance with specific contract or grant provisions or has met the performance metrics. A receivable is recognized to the extent revenue earned exceeds cash advances. Conversely, a refundable advance is recorded when cash advances exceed support and revenue earned. Amounts received in advance of conditions being met were \$105,941, \$132,973, and \$210,000 at December 31, 2024, 2023, and 2022, respectively, and are included in refundable advances on the statement of financial position.

Government and foundation contracts and grants revenue are charged and collected periodically. Amounts that remain uncollected at the end of a reporting period are recorded as grants receivable. The Organization recognizes an expected allowance for bad debts, if deemed necessary. The estimated allowance for bad debts is based on a consideration of historical, current, and expected future conditions. The historical component is derived from a review the Organization's historical loss relative to gross receivables. The Organization does not expect the impact of current and expected future conditions impacting the payor to have a significant impact on the collectability of receivables.

Grants receivable are stated at the amount management expects to collect. Amounts that management believes to be uncollectible after collection efforts have been exhausted are written off. Management determined that no allowances were necessary at December 31, 2024 and 2023. Grants receivable was \$447,572, \$450,742, and \$174,155 at December 31, 2024, 2023, and 2022, respectively.

Contributions, including unconditional promises to give, are recognized at their fair value in the period received. The Organization's policy is to liquidate non-cash contributions as soon as practicable after receipt. The proceeds of such sales are included in the cash flow from operating activities on the statement of cash flows. Contributions that are restricted by the donor for purpose or passage of time are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions receivable are recorded at their estimated net present value based on anticipated future cash flow using a 3.45% discount rate and are reported as net assets with donor restrictions. The difference between the outstanding pledge balances and their net present value is recorded as a reduction to contributions receivable and is recognized as contribution revenue over the term of the related pledges. The Organization records an allowance for uncollectible pledges based on a review of specific outstanding pledges. Contributions receivable are written off after all collection efforts are exhausted. Management determined no allowance for uncollectible pledges was deemed necessary at December 31, 2024 and 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support, Revenue and Receivables

Revenue from special events is recognized at approved ticket prices and stated sponsorship amounts when an event occurs, and the Organization satisfies its performance obligation. The transaction price is based on predetermined rates which vary based on the type of event. Cash received in advance of when the Organization satisfies its performance obligations is recorded as a refundable advance. These advances are recognized as revenue when the event occurs. Amounts received in advance of the event occurring were \$57,350, \$52,600, and \$11,657 at December 31, 2024, 2023, and 2022, respectively, and are included in refundable advances on the statement of financial position.

The Organization reviews individual contracts at the time of performance, in order to determine estimated uncollectable accounts resulting from price concessions and records these as a direct reduction to revenue. Based on this, the Organization determined that there are no implicit price concessions.

Partner agency fees are recognized monthly on a straight-line basis over the lease term for space which is representative of the pattern in which the benefit is expected to be derived for use of the underlying asset. Payments are due from tenants at the beginning of each month. Payments received in advance are deferred until earned. All leases between the Organization and the partner agencies are typically for one year or less and classified as operating leases.

The Organization determines if an arrangement is a lease at inception. The Organization reassesses the determination of whether an arrangement is a lease if the terms and condition of the contract are changed. The Organization elected for all classes of underlying assets to not separate the lease and non-lease components of a contract and to account for as a single lease component. The single lease component is accounted for under GAAP.

The Organization's leases with partner agencies do not transfer ownership of the underlying asset to the lessee, and do not contain options to (1) extend the lease, (2) purchase the assets, or (3) early terminate by either the Organization or the lessee. The carrying amounts of the underlying assets related to operating leases consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Land	\$ 36,454	\$ 36,454
Building	2,197,951	2,134,302
Building and leasehold improvements	<u>123,874</u>	<u>119,499</u>
	2,358,279	2,290,255
Less: Accumulated depreciation	<u>(215,840)</u>	<u>(154,791)</u>
	<u>\$ 2,142,439</u>	<u>\$ 2,135,464</u>

The Organization recorded operating lease income of \$160,758 and \$159,781 during the years ended December 31, 2024 and 2023, respectively, which is included in partner agency fees on the statement of activities and change in net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents are maintained in interest-bearing and non-interest-bearing bank demand deposit accounts. At times, the balances in the bank accounts may exceed federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk with respect to cash.

Investments

Investments are stated at fair value based on quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The net appreciation or depreciation in fair value of investments consists of both realized and unrealized gains or losses on those investments.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Fair Value Measurement – Definition and Hierarchy

GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 – Valuations are based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments are not applied to Level 1 instruments.

The Organization's investments in money market funds, real estate funds, and exchange traded funds are valued using Level 1 inputs. The fair market value of these instruments is based on quoted market prices of the investments on the last business day of the year.

- Level 2 – Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3 – Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

There were no changes in valuation techniques during 2024 or 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment

The Organization's endowment was established by the Board of Directors and includes the cumulative earnings on those investments. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on donor restricted endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income (interest and dividends), but is restricted until appropriated for expenditure.

Property and Equipment

Property and equipment are stated at cost if purchased, or the fair value at the date of donation. Property and equipment with a cost or fair value at the date of acquisition of greater than \$2,500 is capitalized when purchased and depreciated when placed into service. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from 3 to 39 years.

The Organization reviews its investment in property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated by asset. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such asset. There were no impairment losses recognized by the Organization during the years ended December 31, 2024 and 2023.

Lessee Accounting

The Organization determines if an arrangement is a lease at inception. In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Right-of-use (ROU) assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Organization is reasonably certain to exercise these options.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lessee Accounting (Continued)

The Organization elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable.

The Organization elected for all classes of underlying assets to not separate the lease and non-lease components of a contract and to account for as a single lease component.

Marketing

Marketing costs are charged to expense as incurred and amounted to \$95,840 and \$12,423 for the years ended December 31, 2024 and 2023, respectively.

Income Taxes

The Organization is a not-for-profit corporation that is exempt from income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

Contributed Goods and Services

The Organization receives contributed services from volunteers and those who serve on the Board of Directors. These services are not valued in the financial statements because they do not meet the criteria for recognition under GAAP.

Gifts and donations other than cash are recorded at fair market value at the date of contribution. Donated auction items are valued at the sale price received during the auction on the day of event.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Allocation of Certain Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting function. Those expenses include salaries, payroll taxes, employee benefits, training, travel and meetings, office expenses, depreciation, and occupancy related costs. Salaries, payroll taxes, employee benefits, training, travel and meeting expenses are allocated based on personnel time spent in the various programs. Office expense, depreciation and occupancy related costs are allocated based on square footage used.

3. LIQUIDITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows at December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,495,910	\$ 1,698,858
Accounts receivable	466,929	480,390
Contributions receivable	3,893,708	379,254
Investments	<u>2,465,018</u>	<u>2,263,173</u>
Financial assets	10,321,565	4,821,675
Less:		
Donor restricted	(5,963,108)	(777,768)
Board designated	<u>(2,465,018)</u>	<u>(2,263,173)</u>
	<u>\$ 1,893,439</u>	<u>\$ 1,780,734</u>

As part of the Organization's liquidity management policy, the financial assets are structured to be available as general expenditures and liabilities come due. This includes investing cash in excess of daily requirements in short term investments and the board of directors establishing various reserves. The Organization also has an available line of credit in the amount of \$250,000, should it have the need for additional immediate financial assets. As of December 31, 2024 and 2023, there were no amounts outstanding under the terms of this line of credit agreement.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable are expected to be collected, as follows, in the years ending December 31:

2025	\$ 1,207,190
2026	1,004,975
2027	1,002,100
2028	1,001,000
2029	<u>1,000</u>
Gross contributions receivable	4,216,265
Less: Unamortized discount on contributions receivable	<u>(322,557)</u>
	<u>\$ 3,893,708</u>

5. INVESTMENTS

The Organization's investments were measured at fair value on a recurring basis at December 31:

	<u>Level 1</u>	
	<u>2024</u>	<u>2023</u>
Money market funds	\$ 4,352	\$ 3,235
Real estate funds	113,534	109,523
Bond exchange traded funds	855,129	769,356
Equity exchange traded funds	<u>1,492,003</u>	<u>1,381,059</u>
	<u>\$ 2,465,018</u>	<u>\$ 2,263,173</u>

6. ENDOWMENT

Endowment net asset composition consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Board designated endowment for long-term investing	<u>\$ 1,255,086</u>	<u>\$ 1,152,905</u>

Changes in endowment net assets for the year ended December 31:

	<u>2024</u>	<u>2023</u>
Endowment net assets, beginning of year	\$ 1,152,905	\$ 999,229
Investment income, net	<u>102,181</u>	<u>153,676</u>
Endowment net assets, end of year	<u>\$ 1,255,086</u>	<u>\$ 1,152,905</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. There were no such deficiencies reported as of December 31, 2024 and 2023.

Return Objectives, Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to preserve and protect principal and to provide a dependable and reasonable rate of investment return consistent with moderate investment risk. Endowment assets include those assets that were designated by the Board of Directors to be held in perpetuity.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Under this policy, as approved by the Board of Directors, the endowment investment portfolio is limited to equities, fixed income securities, mutual funds, and cash and equivalents. Market timing and speculative investments are considered.

6. ENDOWMENT (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The maximum amount of annual endowment fund income to be expensed in any year is 5% of the average principal values of the endowment fund assets based on the last three calendar year end market values of the endowment funds that generate income without donor restriction. Amounts allowed but not expended each year accumulate in the endowment funds as income without donor restrictions that can be accumulated for use in the future based on Board of Directors approval in the annual budget process.

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Land	\$ 75,000	\$ 75,000
Building	4,522,091	4,391,140
Building and leasehold improvements	388,419	314,859
Furniture and fixtures	38,585	38,585
Computer equipment	64,332	83,933
Vehicles	<u>63,121</u>	<u>-</u>
	5,151,548	4,903,517
Less: Accumulated depreciation	<u>(519,683)</u>	<u>(384,358)</u>
	<u>\$ 4,631,865</u>	<u>\$ 4,519,159</u>

8. LEASES

The Organization has operating leases for office equipment with original terms in excess of one year that expire at various dates through May 2027.

The components of lease cost relating to these leases consisted of the following for the year ended December 31:

	<u>2024</u>	<u>2023</u>
Operating lease cost	<u>\$ 14,229</u>	<u>\$ 15,689</u>

8. LEASES (Continued)

Supplemental cash flow information related to leases for the year ended December 31 are as follows:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 14,229</u>	<u>\$ 15,689</u>
ROU assets obtained in exchange for operating lease obligations	<u>\$ -</u>	<u>\$ 31,411</u>
Weighted-average remaining lease term –		
Operating leases	2.4 years	3.5 years
Weighted-average discount rate –		
Operating leases	3.25%	3.25%

Maturities of the operating lease liabilities are as follows for the years ending December 31:

2025	\$ 15,960
2026	15,960
2027	<u>5,984</u>
Total lease payments	37,904
Less: interest	<u>(2,039)</u>
Total present value of lease liability	35,865
Less: current portion	<u>(14,794)</u>
Long-term portion of lease liability	<u>\$ 21,071</u>

At December 31, 2024 the Organization has an additional operating lease for space that has not yet commenced. The commencement date will be the earlier of the date the landlord substantially completes the agreed upon leasehold improvements and the date the Organization first opens the premises for use by its employees. The lease term is 10 years with an option to renew for three additional five-year terms. The base rent for years one through five is \$122,640 per year and increases to \$146,350 in years six through ten. In addition to the base rent, the Organization must also pay the full amount of all costs associated with the initial leasehold improvements. The lease includes a budget of \$1,200,000 for improvements to the space. The Organization will review and approve all costs prior to the improvements taking place. As of the date these financials were available to be issued, the lease had yet to commence.

9. LINE OF CREDIT

The Organization may borrow up to \$250,000 under the terms of a revolving bank line of credit agreement. Amounts borrowed bear interest at the prime rate (7.50% and 8.50% at December 31, 2024 and 2023, respectively) and are collateralized by substantially all of the Organization's assets. There were no amounts outstanding on this line of credit at December 31, 2024 and 2023. Under the terms of this agreement, the Organization is required to maintain a bank deposit account with the bank and must maintain a minimum level of unrestricted assets of \$1,000,000. The Organization was in compliance with these covenants at December 31, 2024 and 2023.

10. NET ASSETS

Net assets with donor restrictions consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Mental health director	\$ 51,497	\$ 87,995
Community education	448,756	397,639
Beacon Place capital project	1,533,455	-
Other programs and program support	35,692	113,634
Subject to the passage of time:		
Time restriction	<u>3,893,708</u>	<u>178,500</u>
	<u>\$ 5,963,108</u>	<u>\$ 777,768</u>

Net assets with donor restrictions were released from restrictions as follows during the years ended December 31:

	<u>2024</u>	<u>2023</u>
Mental health director	\$ 36,498	\$ 52,005
Community education	145,382	137,630
Beacon Place capital project	91,544	-
Other programs and program support	73,526	123,551
Time restriction	<u>1,100,550</u>	<u>89,250</u>
	<u>\$ 1,447,500</u>	<u>\$ 402,435</u>

The Organization transferred of net assets without donor restrictions of \$105,165 to net assets with donor restrictions during the year ended December 31, 2024. There were no transfers of net assets during the year ended December 31, 2023.

Board designated net assets consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Endowment fund	\$ 1,255,086	\$ 1,152,905
Capital reserve fund	933,169	856,185
Mary Whittier's sustainability fund	<u>276,763</u>	<u>254,083</u>
	<u>\$ 2,465,018</u>	<u>\$ 2,263,173</u>

11. RETIREMENT PLAN

The Organization sponsors a Simple IRA retirement plan. Employees who received \$5,000 or more in total compensation from the Organization are eligible to participate. The plan allows employees to make contributions and also provides for employer contributions. The Organization matches employee contributions up to 3% of their gross wages. Employer contributions of \$37,968 and \$35,896 were made during the years ended December 31, 2024 and 2023, respectively.

12. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024 and 2023, \$264,535 and \$213,787, was donated by board members and organizations that board members own, respectively.

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 18, 2025, which is the date the financial statements were available to be issued.