

BIVONA CHILD ADVOCACY CENTER

FINANCIAL STATEMENTS

December 31, 2023



TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statement of Activities	6
Statement of Functional Expenses	8
Statements of Cash Flow	9
Notes to Financial Statements	10



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Bivona Child Advocacy Center
Rochester, New York

Opinion

We have audited the accompanying financial statements of Bivona Child Advocacy Center (a New York nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, 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 Bivona Child Advocacy Center as of December 31, 2023, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bivona Child Advocacy Center 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.

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 Bivona Child Advocacy Center'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 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, including omissions, 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.

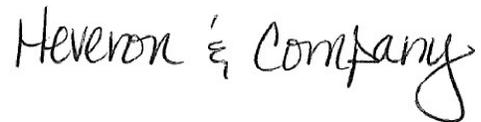
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Bivona Child Advocacy Center'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 Bivona Child Advocacy Center'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.

Report on Summarized Comparative Information

We have previously audited Bivona Child Advocacy Center's consolidated financial statements for the year ended December 31, 2022, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 21, 2023. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2022, is consistent in all material respects with the audited consolidated financial statements from which it has been derived.

A handwritten signature in black ink that reads "Heveron & Company". The signature is written in a cursive, flowing style.

Heveron & Company
Certified Public Accountants

Rochester, New York
June 27, 2024

BIVONA CHILD ADVOCACY CENTER
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 1,698,858	\$ 2,640,106
Accounts and Grants Receivable	480,390	265,180
Pledges Receivable, Current Portion	209,004	52,250
Prepaid Expenses	<u>125,741</u>	<u>28,359</u>
Total Current Assets	<u>2,513,993</u>	<u>2,985,895</u>
<u>Property and Equipment</u>		
Land, Building and Improvements	4,780,999	4,289,133
Furniture and Fixtures	38,585	49,734
Computer Equipment and Software	83,933	83,933
Less: Accumulated Depreciation and Amortization	<u>(384,358)</u>	<u>(259,838)</u>
Net Property and Equipment	<u>4,519,159</u>	<u>4,162,962</u>
<u>Other Assets</u>		
Investments	2,263,173	2,007,693
Right-of-Use Assets - Operating Leases	62,274	46,750
Pledges Receivable, Long-Term Portion	<u>170,250</u>	<u>75,500</u>
Total Other Assets	<u>2,495,697</u>	<u>2,129,943</u>
TOTAL ASSETS	<u><u>\$ 9,528,849</u></u>	<u><u>\$ 9,278,800</u></u>

LIABILITIES AND NET ASSETS

	<u>2023</u>	<u>2022</u>
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 111,557	\$ 48,536
Current Portion of Operating Lease Liabilities	10,296	7,965
Accrued Payroll and Benefits	161,139	132,601
Refundable Advances	<u>185,573</u>	<u>221,657</u>
Total Current Liabilities	<u>468,565</u>	<u>410,759</u>
<u>Long Term Liabilities</u>		
Operating Lease Liabilities, Net of Current Portion	<u>51,978</u>	<u>38,785</u>
Total Liabilities	<u>520,543</u>	<u>449,544</u>
<u>Net Assets</u>		
Net Assets Without Donor Restrictions:		
Undesignated	5,967,365	6,396,937
Board Designated	<u>2,263,173</u>	<u>2,007,693</u>
Total Net Assets Without Donor Restrictions	<u>8,230,538</u>	<u>8,404,630</u>
Net Assets With Donor Restrictions:		
Purpose Restrictions	599,268	299,626
Time Restrictions	<u>178,500</u>	<u>125,000</u>
Total Net Assets With Donor Restrictions	<u>777,768</u>	<u>424,626</u>
Total Net Assets	<u>9,008,306</u>	<u>8,829,256</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,528,849</u>	<u>\$ 9,278,800</u>

See Accompanying Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2023
(With Comparative Totals For The Year Ended December 31, 2022)

	Without Donor	With Donor	<u>Totals</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2023</u>	<u>2022</u>
<u>Support and Revenue</u>				
Contributions	\$ 350,619	\$ 158,077	\$ 508,696	\$ 792,611
Foundations	186,734	597,500	784,234	389,443
Grants	1,338,764	-	1,338,764	1,158,658
Partner Agency Fees	159,781	-	159,781	158,549
Special Events	831,252	-	831,252	722,826
Less: Direct Expenses	(241,186)	-	(241,186)	(147,068)
Summit	-	-	-	161,612
Less: Direct Expenses	-	-	-	(65,159)
Net Assets Released from Restrictions	<u>402,435</u>	<u>(402,435)</u>	<u>-</u>	<u>-</u>
 Total Support and Revenue	 <u>3,028,399</u>	 <u>353,142</u>	 <u>3,381,541</u>	 <u>3,171,472</u>
<u>Expenses</u>				
Program Services	2,559,378	-	2,559,378	2,282,866
Supporting Services:				
Management and General	325,343	-	325,343	213,984
Fundraising Expenses	<u>534,474</u>	<u>-</u>	<u>534,474</u>	<u>427,166</u>
 Total Expenses	 <u>3,419,195</u>	 <u>-</u>	 <u>3,419,195</u>	 <u>2,924,016</u>
 Change in Net Assets				
From Operations	<u>(390,796)</u>	<u>353,142</u>	<u>(37,654)</u>	<u>247,456</u>

BIVONA CHILD ADVOCACY CENTER
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2023
(With Comparative Totals For The Year Ended December 31, 2022)
(Continued)

	Without Donor	With Donor	<u>Totals</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2023</u>	<u>2022</u>
<u>Other Income and Expenses</u>				
Investment Income	52,244	-	52,244	43,153
Net Investment Return	<u>164,460</u>	<u>-</u>	<u>164,460</u>	<u>(322,605)</u>
 Total Other Income and Expenses	 <u>216,704</u>	 <u>-</u>	 <u>216,704</u>	 <u>(279,452)</u>
 Change in Net Assets	 (174,092)	 353,142	 179,050	 (31,996)
 Net Assets - Beginning of Year	 <u>8,404,630</u>	 <u>424,626</u>	 <u>8,829,256</u>	 <u>8,861,252</u>
 Net Assets - End of Year	 <u>\$ 8,230,538</u>	 <u>\$ 777,768</u>	 <u>\$ 9,008,306</u>	 <u>\$ 8,829,256</u>

See Accompanying Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2023
(With Comparative Totals For The Year Ended December 31, 2022)

	<u>Supporting Services</u>			<u>Totals</u>	
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>2023</u>	<u>2022</u>
Salaries	\$ 1,490,782	\$ 189,851	\$ 275,153	\$ 1,955,786	\$ 1,640,385
Payroll Taxes	108,888	13,867	20,097	142,852	118,846
Employee Benefits	<u>206,948</u>	<u>26,355</u>	<u>38,196</u>	<u>271,499</u>	<u>232,150</u>
Total Personnel Costs	1,806,618	230,073	333,446	2,370,137	1,991,381
Professional Fees	205,411	54,228	121,012	380,651	339,518
Other Occupancy	258,856	9,155	14,806	282,817	234,923
Event Expenses	-	-	241,186	241,186	212,227
Depreciation	122,846	4,950	7,873	135,669	119,728
Office Expenses and Supplies	58,143	8,956	18,563	85,662	94,351
Other Expenses	57,430	3,227	24,539	85,196	89,201
Training, Travel and Meetings	47,706	13,482	4,180	65,368	44,396
Marketing Expense	2,368	-	10,055	12,423	8,268
Bad Debt Expense	<u>-</u>	<u>1,272</u>	<u>-</u>	<u>1,272</u>	<u>2,250</u>
Total Expenses	2,559,378	325,343	775,660	3,660,381	3,136,243
Less Expenses Included with Support and Revenue on the Statement of Activities	<u>-</u>	<u>-</u>	<u>(241,186)</u>	<u>(241,186)</u>	<u>(212,227)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,559,378</u>	<u>\$ 325,343</u>	<u>\$ 534,474</u>	<u>\$ 3,419,195</u>	<u>\$ 2,924,016</u>

See Accompanying Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2023 and 2022

	2023	2022
<u>Cash Flow From Operating Activities</u>		
Change in Net Assets	\$ 179,050	\$ (31,996)
Noncash Expenses and Losses:		
Depreciation	135,669	119,728
Bad Debt Expense	1,272	2,250
Net Unrealized (Gain)/Loss on Investments	(164,460)	328,597
Decrease/(Increase) In:		
Accounts and Grants Receivable	(215,210)	(6,833)
Pledges Receivable	(252,776)	(30,877)
Prepaid Expenses	(97,382)	7,417
Right-of-Use Assets - Operating Leases	(15,524)	(46,750)
Increase/(Decrease) In:		
Accounts Payable and Accrued Expenses	63,019	(127,966)
Accrued Payroll and Benefits	28,538	28,525
Refundable Advances	(36,084)	203,657
Operating Lease Liability	15,524	46,750
Net Cash Flow Provided/(Used) By Operating Activities	(358,364)	492,502
<u>Cash Flow From Investing Activities</u>		
Purchase of Property and Equipment	(510,045)	(271,599)
Proceeds from Investments	86,182	-
Purchase of Investments	(159,021)	(127,881)
Net Cash Flow Provided/(Used) By Investing Activities	(582,884)	(399,480)
<u>Cash Flow From Financing Activities</u>		
Net Increase/(Decrease) in Cash and Cash Equivalents	(941,248)	93,022
Cash and Cash Equivalents - Beginning of Year	2,640,106	2,547,084
Cash and Cash Equivalents - End of Year	\$ 1,698,858	\$ 2,640,106

See Accompanying Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Bivona Child Advocacy Center (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. In 2023, the Organization evaluated nearly 1,700 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. In 2023, the Organization educated over 37,035 children and teens in local school districts. The Organization obtains its support directly and indirectly from individuals, organizations, and government agencies in the community.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Net Assets

In accordance with accounting principles generally accepted in the United States of America, the Organization reports information regarding its financial position and activities according to the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board-designated endowments.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

BIVONA CHILD ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, based on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributions that are expected to be received in future years are recorded at their present value. Conditional promises to give, that is, 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.

Revenue Recognition

A portion of the Organization's revenue is derived from cost-reimbursable federal and state 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. Amounts received prior to incurring qualifying expenditures are reported as unearned revenue on the statement of financial position.

Special event revenue is recognized as the event occurs. Amounts received prior to the date of the event are reported as refundable advances.

Partner agency fees are recognized monthly over the lease term. Payments are due from tenants at the beginning of each month and prepayments of fees are recorded as liabilities until earned. All leases are operating leases.

Income Taxes

The Internal Revenue Service has determined that the Organization is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code, and has also determined that the organization is publicly supported. As a result, no provision for federal or state income taxes has been made.

BIVONA CHILD ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts and Grants Receivable

Accounts and grants receivable are stated at the amount management expects to collect. Amounts that management believes to be uncollectible after collection efforts have been completed are written off. In addition, management evaluates the need for, and if appropriate, provides an allowance to reduce receivables to amounts management expects will be collected. Management determines the allowance for uncollectible accounts receivable based on historical information, adjusted for current conditions, and reasonable and supportable forecasts. Management determined that no allowances were necessary at December 31, 2023 and 2022.

Cash, Cash Equivalents and Restricted Cash

For the purposes of the statements of cash flows, cash, cash equivalents and restricted cash include all cash on hand and in banks, which, at times, may exceed federally insured limits. The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk with respect to cash, cash equivalents and restricted cash.

Cash, cash equivalents and restricted cash consisted of the following at December 31:

	2023	2022
Checking	\$1,448,010	\$2,389,634
Savings	250,848	250,472
Total Cash, Cash Equivalents, and Restricted Cash	\$1,698,858	\$2,640,106

Property and Equipment

Property and equipment is stated at cost. The Organization capitalizes property and equipment with a cost of over \$2,500 and estimated life of three years or more, while expenditures for repairs, maintenance, and renewal of a relatively minor nature are expensed.

	Years
Building and Improvements	15-39
Furniture and Fixtures	5-15
Computer Equipment and Software	3-5

Depreciation expense amounted to \$135,669 and \$119,728 for the years ended December 31, 2023 and 2022, respectively.

BIVONA CHILD ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amortization

Website development and software costs are amortized on the straight-line method over three years. The assets are fully amortized.

Marketing

Marketing costs are expensed as incurred.

Functional Expenses

The costs of providing the various program services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program, management and general, and fundraising categories.

Expenses are allocated among program and supporting services on the following basis:

- (a) Personnel, training, travel, meeting, and other expenses are allocated on the basis of time and effort.
- (b) Building and occupancy costs, office expenses and depreciation/amortization are allocated on the basis of space and staff usage.
- (c) Professional fees, event expenses, and marketing are based on actual costs.

Use of Estimates in the Preparation of Financial Statements

Accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could vary from those estimates.

Comparative Financial Information

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Risks and Uncertainties

The Organization is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy or other conditions in the geographical area where the property is located.

BIVONA CHILD ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Determining Fair Value of Financial Assets and Liabilities

Accounting principles generally accepted in the United States of America established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation method are unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Inputs to the valuation method include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3: Inputs to the valuation method are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used, need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Recent Accounting Pronouncements

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 requires the presentation of contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The main difference between the guidance in ASU 2020-07 and previous GAAP is the disclosure of a disaggregation of the amount of contributed nonfinancial assets, qualitative information about whether the contributed nonfinancial assets were either sold or utilized during the period, the Organization's policy about selling rather than utilizing the assets, a description of any donor-imposed restrictions associated with the assets, a description of the valuation techniques used, and the principal market used to arrive at a fair value measurement. During the year ended December 31, 2022, the Organization adopted ASU 2020-07 for its contributed nonfinancial assets.

BIVONA CHILD ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases and makes certain changes to the accounting for lease expenses. The main difference between the guidance in ASU 2016-02 and current GAAP is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under current GAAP. During 2022 the Organization adopted ASU 2016-02 for its leasing arrangements, along with the practical expedient, which allows modifications of contracts to be applied at the time of adoption. As a result of implementing ASU No. 2016-02, the Organization recognized right-of-use assets and lease liabilities totaling \$59,429 in its statements of financial position as of January 1, 2022.

On January 1, 2023, the Organization adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326)*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. The Organization adopted ASC 326 and all related subsequent amendments thereto, effective January 1, 2023 using the modified retrospective transition approach for all financial assets. Accordingly, financial information for periods prior to the date of initial application has not been adjusted. This required recognition had no current impact to the Organization's financial statements.

NOTE 2 - LINE OF CREDIT

The Organization has a line of credit with a maximum authorization of \$250,000. Advances against the line bears interest at the Wall Street Journal prime rate. There was no amount outstanding at December 31, 2023 and 2022.

BIVONA CHILD ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Continued)

NOTE 3 - LIQUIDITY AND AVAILABILITY

At December 31, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures, such as operating expenses:

	2023	2022
Cash and Cash Equivalents	\$ 1,698,858	\$ 2,640,106
Accounts and Grants Receivable	480,390	265,180
Pledges receivable	209,004	52,250
Investments	2,263,173	2,007,693
Donor-imposed restrictions:		
Purpose Restrictions	(599,268)	(299,626)
Time Restrictions	(178,500)	(125,000)
Internal designations:		
Board Designation	(2,263,173)	(2,007,693)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,610,484	\$ 2,532,910

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.

NOTE 4 - DONATED SERVICES AND GOODS

The Organization receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America. During 2023 and 2022, approximately 300 and 215 active volunteers provided 2,500 and 2,000 hours of service, respectively. These consisted mostly of board service and special event, office, and clerical assistance. Donated auction items were valued at the sale price received during the auction on the day of event.

BIVONA CHILD ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Continued)

NOTE 5 - RETIREMENT PLAN

The Organization adopted a Simple IRA retirement plan during 2009. 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 \$35,896 and \$38,807 were made during the years ended December 31, 2023 and 2022, respectively.

The Organization adopted an additional retirement plan under IRS section 457(b) during 2015. This is a non-qualified plan covering certain eligible participants. The plan allows participants to make contributions, while the employer is able to make discretionary contributions to the plan. No contributions were made for the years ended December 31, 2023 and 2022.

NOTE 6 - NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Mental Health Director	\$ 87,995	\$ 140,000
Community Education	397,639	134,769
Other Programs and Program Support	113,634	24,857
Subject to the passage of time:		
Time Restriction	<u>178,500</u>	<u>125,000</u>
Total	<u>\$ 777,768</u>	<u>\$ 424,626</u>

Net assets without donor restrictions are designated as follows:

	<u>2023</u>	<u>2022</u>
General Purpose	<u>\$5,967,365</u>	<u>\$6,396,937</u>
Board Designated:		
Board Designated Endowment Fund	1,152,905	999,229
Capital Reserve Fund	856,185	777,403
Mary Whittier's Sustainability Fund	<u>254,083</u>	<u>231,061</u>
Total Board Designated	<u>2,263,173</u>	<u>2,007,693</u>
Total	<u>\$8,230,538</u>	<u>\$8,404,630</u>

BIVONA CHILD ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Continued)

NOTE 7 - PLEDGES RECEIVABLE

During 2019, the Organization initiated the Circle of Hope campaign. Pledges receivable represent amounts due the Organization under the terms of unconditional promises to give. Management determined that no allowances were necessary at December 31, 2023 and 2022. Scheduled payments on all outstanding pledges receivable are as follows for the year ending December 31:

<u>Year</u>	<u>Amount</u>
2024	\$ 209,004
2025	166,250
2026	<u>4,000</u>
Total	379,254
Less: Current Portion	<u>(209,004)</u>
Long-Term Portion	<u>\$ 170,250</u>

NOTE 8 - INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair market value. Unrealized gains or losses on securities result from differences between the cost and fair market value of securities on a specified valuation date.

Investment securities are exposed to various risks, such as interest rate, market, economic conditions, world affairs and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably 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. Investments are held in investment funds managed by professional investment advisors. A summary of investments at market value at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Money Market Fund	\$ 3,235	\$ 4,512
Alternative Investments	109,523	201,582
Bond Investments	769,356	575,892
Equity Investments	<u>1,381,059</u>	<u>1,225,707</u>
Total Investments	<u>\$ 2,263,173</u>	<u>\$ 2,007,693</u>

There were no changes in the valuation techniques during the year. All of the investments are based on level 1 inputs in the hierarchy as described in Note 1.

BIVONA CHILD ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Continued)

NOTE 9 - LEASES

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its immaterial or short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization’s right to use underlying assets for the lease term, and the lease liabilities represent the Organization’s obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

The Organization’s operating leases consist of copiers.

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	2023	2022
<u>Weighted Average Remaining Lease Term</u>		
Operating leases	3.5 years	4.2 years
<u>Weighted Average Discount Rate</u>		
Operating leases	3.25%	3.25%

Future maturities of lease liabilities are presented in the following table, for the years ending December 31:

	Operating
2024	\$ 18,047
2025	18,047
2026	18,047
2027	11,549
2028	6,908
Total Lease Payments	72,598
Less Present Value Discount	(10,324)
Total Lease Obligations	\$ 62,274

BIVONA CHILD ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Continued)

NOTE 9 - LEASES (Continued)

The following summarizes the line items in the statements of activities, which include the components of lease expense for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Operating lease expense included in program services expenses	\$ 12,375	\$ 12,809
Operating lease expense included in management and general expenses	1,337	1,384
Operating lease expense included in fundraising expenses	<u>1,977</u>	<u>2,046</u>
Total operating lease costs	<u>\$ 15,689</u>	<u>\$ 16,239</u>

Supplemental Disclosures of Non-Cash Investing and Financing Activities

The following summarizes cash flow information related to leases for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 15,689	\$ 16,239
Lease assets obtained in exchange for lease obligations:		
Operating leases	\$ 31,411	\$ 59,429

NOTE 10 - TRANSACTIONS WITH RELATED PARTIES

During the years ended December 31, 2023 and 2022, \$213,787 and \$229,043, was donated by board members and organizations that board members own, respectively.

NOTE 11 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 27, 2024, which is the date the statements were available for issuance.