

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021



TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Consolidated Balance Sheets	4
Consolidated Statements of Activities	6
Consolidated Statements of Functional Expenses	8
Consolidated Statements of Cash Flow	9
Notes to Financial Statements	10
Consolidating Balance Sheets	22
Consolidating Statements of Activities	24



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Bivona Child Advocacy Center (a New York nonprofit organization) and Affiliates (the Entities), which comprise the consolidated balance sheet as of December 31, 2021, and the related consolidated 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 and Affiliates as of December 31, 2021, 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 Affiliates 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 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 and Affiliates' 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 and Affiliates' 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 and Affiliates' ability to continue as a going concern for a reasonable period of time.

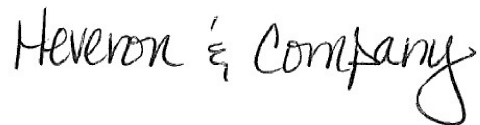
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Bivona Child Advocacy Center and Affiliates' consolidated financial statements for the year ended December 31, 2020, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 16, 2021. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2020, is consistent in all material respects with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheets and statements of activities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Heveron & Company
Certified Public Accountants

Rochester, New York
June 16, 2022

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATED BALANCE SHEETS
December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 2,547,084	\$ 2,080,243
Accounts and Grants Receivable	258,328	369,976
Pledges Receivable, Current Portion	61,613	76,077
Prepaid Expenses	<u>36,305</u>	<u>32,586</u>
 Total Current Assets	 <u>2,903,330</u>	 <u>2,558,882</u>
 <u>Property and Equipment</u>		
Land, Building and Improvements	4,062,084	5,473,190
Furniture and Fixtures	49,734	49,734
Website Development	18,200	18,200
Computer Equipment and Software	84,092	64,310
Less: Accumulated Depreciation and Amortization	<u>(203,020)</u>	<u>(868,963)</u>
 Net Property and Equipment	 <u>4,011,090</u>	 <u>4,736,471</u>
 <u>Other Assets</u>		
Investments	2,208,409	1,837,008
Reserve Fund for Replacements	-	21,090
Pledges Receivable, Long Term Portion	<u>37,000</u>	<u>58,350</u>
 Total Other Assets	 <u>2,245,409</u>	 <u>1,916,448</u>
 TOTAL ASSETS	 <u>\$ 9,159,829</u>	 <u>\$ 9,211,801</u>

LIABILITIES AND NET ASSETS / CAPITAL

	2021	2020
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 176,502	\$ 15,354
Accrued Payroll and Benefits	104,075	109,086
Refundable Advances	18,000	2,500
Total Current Liabilities	298,577	126,940
<u>Net Assets/Capital</u>		
Net Assets Without Donor Restrictions:		
Undesignated	6,176,983	3,176,593
Board Designated	2,208,409	1,837,008
Total Net Assets Without Donor Restrictions	8,385,392	5,013,601
Net Assets With Donor Restrictions:		
Purpose Restrictions	358,410	280,933
Time Restrictions	117,450	130,300
Total Net Assets With Donor Restrictions	475,860	411,233
Noncontrolling Interest in Members' Capital	-	910,013
Members' Capital	-	2,750,014
Total Net Assets/Capital	8,861,252	9,084,861
TOTAL LIABILITIES AND NET ASSETS/CAPITAL	\$ 9,159,829	\$ 9,211,801

See Accompanying Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
For The Year Ended December 31, 2021
(With Comparative Totals For The Year Ended December 31, 2020)

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2021	2020
<u>Support and Revenue</u>				
Contributions	\$ 570,543	\$ 103,100	\$ 673,643	\$ 626,892
Foundations	104,302	200,000	304,302	399,497
Grants	1,005,975	-	1,005,975	760,299
Partner Agency Fees	179,727	-	179,727	190,754
Special Events	642,835	-	642,835	667,267
Less: Direct Expenses	(104,264)	-	(104,264)	(142,211)
Summit	227,975	-	227,975	50,831
Less: Direct Expenses	(85,693)	-	(85,693)	-
Other Income	1,135	-	1,135	4,324
Net Assets Released from				
Restrictions	238,473	(238,473)	-	-
Total Support and Revenue	2,781,008	64,627	2,845,635	2,557,653
<u>Expenses</u>				
Program Services	1,929,674	-	1,929,674	1,838,387
Supporting Services:				
Management and General	213,080	-	213,080	225,241
Fundraising Expenses	299,296	-	299,296	266,691
Total Expenses	2,442,050	-	2,442,050	2,330,319
 Change in Net Assets/Capital				
From Operations	338,958	64,627	403,585	227,334

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
For The Year Ended December 31, 2021
(With Comparative Totals For The Year Ended December 31, 2020)
(Continued)

	Without Donor	With Donor	<u>Total</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2021</u>	<u>2020</u>
<u>Other Income and Expenses</u>				
Net Loss on Disposition/Sale	(895,715)	-	(895,715)	-
Investment Income	41,319	-	41,319	37,320
Net Investment Return	<u>227,202</u>	<u>-</u>	<u>227,202</u>	<u>183,393</u>
 Total Other Income and Expenses	 <u>(627,194)</u>	 <u>-</u>	 <u>(627,194)</u>	 <u>220,713</u>
 Change in Net Assets/Capital	 (288,236)	64,627	(223,609)	448,047
Net Assets/Capital - Beginning of Year	8,673,628	411,233	9,084,861	8,649,887
 Priority Return	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>(13,073)</u>
 Net Assets/Capital - End of Year	 <u>\$ 8,385,392</u>	 <u>\$ 475,860</u>	 <u>\$ 8,861,252</u>	 <u>\$ 9,084,861</u>

See Accompanying Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2021
(With Comparative Totals For The Year Ended December 31, 2020)

	Supporting Services			Totals	
	Program Services	Management and General	Fund- Raising	2021	2020
Salaries	\$ 1,148,851	\$ 121,071	\$ 171,550	\$ 1,441,472	\$ 1,286,108
Payroll Taxes	96,610	10,181	14,426	121,217	102,649
Employee Benefits	161,255	16,994	24,079	202,328	195,995
Total Personnel Costs	1,406,716	148,246	210,055	1,765,017	1,584,752
Other Occupancy	194,198	6,518	10,537	211,253	236,471
Depreciation/Amortization	92,411	8,914	12,708	114,033	168,750
Professional Fees	104,746	17,391	33,992	156,129	145,376
Event Expenses	85,693	-	104,264	189,957	142,211
Bad Debt Expense	-	21,901	-	21,901	80,090
Office Expenses and Supplies	83,645	6,142	12,031	101,818	56,129
Other Expenses	23,735	1,212	13,283	38,230	38,108
Training, Travel and Meetings	24,224	2,755	1,869	28,848	16,552
Marketing Expense	-	-	4,821	4,821	4,091
Total Expenses	2,015,368	213,079	403,560	2,632,007	2,472,530
Less Expenses Included with Support and Revenue on the Statement of Activities	(85,693)	-	(104,264)	(189,957)	(142,211)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,929,675	\$ 213,079	\$ 299,296	\$ 2,442,050	\$ 2,330,319

See Accompanying Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Cash Flow From Operating Activities</u>		
Change in Net Assets	\$ (223,609)	\$ 448,047
Noncash Expenses and Losses:		
Depreciation/Amortization	114,033	168,750
Forgiveness of Loan Payable	(230,378)	(244,200)
Bad Debt Expense	21,901	80,090
Net Unrealized Gain on Investments	(441,879)	(183,393)
Donation of Stock	-	(20,361)
Loss on Disposition/Sale	895,715	-
Decrease/(Increase) In:		
Accounts and Grants Receivable	89,747	(13,119)
Pledges Receivable	35,814	(17,468)
Prepaid Expenses	(3,719)	33,070
Increase/(Decrease) In:		
Accounts Payable and Accrued Expenses	161,142	(62,199)
Accrued Payroll and Benefits	(5,011)	41,076
Refundable Advances	<u>15,500</u>	<u>(63,125)</u>
Net Cash Flow Provided By Operating Activities	<u>429,256</u>	<u>167,168</u>
<u>Cash Flow From Investing Activities</u>		
Purchase of Property and Equipment	(205,271)	(5,528)
Proceeds from Investments	2,175,613	22,039
Purchase of Investments	(2,105,129)	(32,366)
Purchase of Investor Member Interest	<u>(79,096)</u>	<u>-</u>
Net Cash Flow Used By Investing Activities	<u>(213,883)</u>	<u>(15,855)</u>
<u>Cash Flow From Financing Activities</u>		
Proceeds from Loan Payable	230,378	244,200
Priority Return to Noncontrolling Interest	<u>-</u>	<u>(13,073)</u>
Net Cash Flow Provided/(Used) By Financing Activities	<u>230,378</u>	<u>231,127</u>
Net Increase in Cash, Cash Equivalents and Restricted Cash	445,751	382,440
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	<u>2,101,333</u>	<u>1,718,893</u>
Cash, Cash Equivalents and Restricted Cash - End of Year	<u>\$ 2,547,084</u>	<u>\$ 2,101,333</u>

See Accompanying Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The consolidated financial statements include the accounts of Bivona Child Advocacy Center (Bivona), Bivona Corporation (the Corporation), and One Mt. Hope LLC (OMH).

Bivona 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. Bivona facilitates a multidisciplinary team of professionals that includes 23 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 2021 alone, Bivona evaluated nearly 2,000 children. Bivona also leads the Monroe County Child Fatality Review Team, which evaluates all sudden, unexplained or unexpected child fatalities. Additionally, Bivona is dedicated to increasing community awareness about child abuse through its hosting of the Bivona Child Abuse Summit conference with over 1,000 area professionals in attendance in 2021. Bivona also addresses prevention of child abuse by providing community-based education and outreach programs. In 2018, Bivona began offering a prevention education curriculum in public schools. At the start of the 2020/2021 school year, Bivona expanded their reach into sixteen local school districts, providing hundreds of children with age appropriate safety information. During 2021, the mental health department continued with services that were delivered in person and via Telehealth. Additionally, Bivona expanded our partnerships with a local mental health provider who specializes in providing mental health therapy to children who have experienced trauma. Bivona obtains its support directly and indirectly from individuals, organizations, and government agencies in the community.

The Corporation was organized under the laws of the State of New York on June 26, 2014 to facilitate historic credits on a building that OMH owns. The Corporation is wholly owned by Bivona.

OMH, a New York Limited Liability Company, was organized under the laws of the State of New York on June 26, 2014 for the purpose of restoring a historic building and operating a commercial rental project located in Rochester, New York. Operations commenced in July 2015 and ended in January 2021. OMH was 99% owned by an Limited Partner (KeyBank, NA) and 1% owned by the Corporation.

Bivona, the Corporation, and OMH, (collectively, the Organization) share common management and control.

**BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2021

(Continued)

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

Organization (Continued)

On January 29, 2021, the Investor Member Interest Purchase Agreement was executed. This agreement stated Bivona Corporation (the managing member of OMH) purchased the interest of KeyBank N.A. (the investor member) for the price of \$79,096. Bivona Corporation owned all of the interest in One Mount Hope, LLC as of this date. Bivona is the sole owner of the Corporation. All assets and liabilities were sold to Bivona.

Principles of Consolidation

The aforementioned entities are consolidated in these financial statements, as they operate under common management and control. The profits, losses, and tax credits of OMH were allocated 1% to the Managing Member (the Corporation) and 99% to the Limited Partner (KeyBank, NA) up until the sale date noted above. All significant intercompany transactions have been eliminated.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. 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 AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

(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 balance sheet.

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.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021
(Continued)

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

Income Taxes

The Internal Revenue Service has determined that Bivona is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code, and has also determined that Bivona is publicly supported. The Corporation is subject to federal and state income taxes. No income tax expense or benefit has been included in these financial statements for OMH, as a Limited Liability Company, since taxable income and losses are allocated to the members for inclusion in their respective tax returns.

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 determined that no allowances were necessary at December 31, 2021 and 2020.

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:

	2021	2020
Checking	\$2,547,084	\$2,072,507
Savings	-	7,736
Subtotal - Cash and Cash Equivalents	2,547,084	2,080,243
Reserve Fund for Replacements	-	21,090
Total Cash, Cash Equivalents, and Restricted Cash	\$2,547,084	\$2,101,333

Marketing

Marketing costs are expensed as incurred.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

(Continued)

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

Property and Equipment

Property and equipment is stated at cost. The Organization capitalizes property and equipment with a cost of over \$2,500 (Bivona) and \$5,000 (OMH) and estimated life of three years or more, while expenditures for repairs, maintenance, and renewal of a relatively minor nature are expensed.

	<u>Years</u>
Building and Improvements	15-39
Furniture and Fixtures	5-15
Computer Equipment and Software	3-5

Depreciation expense amounted to \$114,033 and \$162,216 for the years ended December 31, 2021 and 2020, respectively.

Amortization

Website development and software costs are amortized on the straight-line method over three years. Amortization expense amounted to \$6,534 for the year ended December 31, 2020. The assets are fully amortized.

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.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021
(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.

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, 2020, 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 AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

(Continued)

NOTE 2 - LIQUIDITY AND AVAILABILITY

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

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 2,547,084	\$ 2,080,243
Accounts and Grants Receivable	258,328	369,976
Pledges receivable	61,613	76,077
Investments	2,208,409	1,837,008
Donor-imposed restrictions:		
Purpose Restrictions	(358,410)	(280,933)
Time Restrictions	(117,450)	(130,300)
Internal designations:		
Board Designation	<u>(2,208,409)</u>	<u>(1,837,008)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,391,165</u>	<u>\$ 2,115,063</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.

NOTE 3 - LINE OF CREDIT

Bivona 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, 2021 and 2020.

NOTE 4 - DONATED SERVICES AND GOODS

Bivona 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 2021 and 2020, approximately 170 and 160 active volunteers provided 2,130 and 2,480 hours of service, respectively. These consisted mostly of board service and special event, office, and clerical assistance.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 5 - RESERVE FUND FOR REPLACEMENTS

Pursuant to its operating agreement, OMH was required to maintain a reserve fund for replacements; withdrawals from these accounts could only be made with the prior approval of the Investor Member. OMH was required to make an annual contribution of \$4,216 to this fund. This requirement was eliminated with the buyout of the Investor Member in January 2021.

NOTE 6 - RETIREMENT PLAN

Bivona adopted a Simple IRA retirement plan during 2009. Employees who received \$5,000 or more in total compensation from Bivona are eligible to participate. The plan allows employees to make contributions and also provides for employer contributions. Bivona matches employee contributions up to 3% of their gross wages. Employer contributions of \$36,693 and \$33,713 were made during the years ended December 31, 2021 and 2020, respectively.

Bivona 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, 2021 and 2020.

NOTE 7 - OMH PROFITS AND LOSSES AND DISTRIBUTIONS

The ordinary income, losses, and tax credits of OMH were allocated 1% to the Managing Member (Corporation) and 99% to the Investor Member. Distributions of excess cash flow were required annually and paid out according to the ordering rules stated in the operating agreement. This requirement was eliminated with the buyout of the Investor Member in January 2021.

NOTE 8 - FORGIVENESS OF LOAN PAYABLE

In April 2020, the Organization applied for and was approved for a \$244,200 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The Small Business Administration forgave the loan in its entirety in November 2020.

In January 2021, the Organization applied for and was approved for a \$230,378 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The Small Business Administration forgave the loan in its entirety in June 2021.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 9 - 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>2021</u>	<u>2020</u>
Money Market Fund	\$ 7,045	\$ 4,102
Alternative Investments	225,820	-
Bond Investments	617,913	570,440
Equity Investments	<u>1,357,631</u>	<u>1,262,466</u>
 Total Investments	 <u>\$ 2,208,409</u>	 <u>\$ 1,837,008</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.

NOTE 10 - NET ASSETS

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

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Mental Health Director	\$ 180,000	\$ 260,000
Other Programs and Program Support	63,410	20,933
Community Education	115,000	-
Subject to the passage of time:		
Time Restriction	<u>117,450</u>	<u>130,300</u>
Total	<u>\$ 475,860</u>	<u>\$ 411,233</u>

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 10 - NET ASSETS (Continued)

Net assets without donor restrictions are designated as follows:

	2021	2020
General Purpose	<u>\$6,176,983</u>	<u>\$3,176,593</u>
Board Designated:		
Board Designated Endowment Fund	1,050,754	822,715
Mary Whittier's Sustainability Fund	265,144	232,081
Capital Reserve Fund	<u>892,511</u>	<u>782,212</u>
Total Board Designated	<u>2,208,409</u>	<u>1,837,008</u>
Total	<u>\$8,385,392</u>	<u>\$5,013,601</u>

NOTE 11 - PLEDGES RECEIVABLE

During 2019, Bivona initiated the Circle of Hope campaign. Pledges receivable represent amounts due Bivona under the terms of unconditional promises to give. There was an additional multi-year pledge received during 2021. Management determined that no allowances were necessary at December 31, 2021 and 2020.

Scheduled payments on all outstanding pledges receivable are as follows for the year ending December 31:

Year	Amount
2022	\$ 61,613
2023	17,000
2024	10,000
2025	<u>10,000</u>
Total	98,613
Less: Current Portion	<u>(61,613)</u>
Long Term Portion	<u>\$ 37,000</u>

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 12 - TRANSACTIONS WITH RELATED PARTIES

Asset Management Fee

OMH was required to pay KeyBank, NA., the Investor Member, an annual asset management fee of \$5,000 in accordance with the operating agreement. This requirement was eliminated with the buyout of the Investor Member in January 2021.

Guarantees

The OMH Partnership Agreement provided for various obligations of the Corporation, including their obligation to provide funds for any development, operating deficits, and permanent financing shortfalls. This agreement was null after the buyout of the Investor Member in January 2021.

The following transactions have been eliminated in the consolidated financial statements as of December 31:

Property Management

Services in connection with the management of the property were provided to OMH by Bivona. The property management fee was equal to 5% of gross income of the building owned by OMH. The contract commenced July 14, 2015 and automatically renewed every year unless written notice was given not less than 30 days after commencement of the renewal period. The contract ended with the sale of OMH in January 2021.

The property management fee expense was \$16,196 for the year ended December 31, 2020, and was eliminated in the consolidated financial statements.

Rent

OMH rented the building it owned to Bivona under the terms of a lease agreement at a monthly rate of \$9,460 through October 2019. In November 2019, the lease was amended for additional space and the monthly rate increased to \$11,089. The lease was automatically extended for successive terms of one year each. Rental income and expenses totaled \$133,069 for the year ended December 31, 2020, and was eliminated in the consolidated financial statements. The lease agreement ended with the sale of OMH in January 2021.

Accounts Payable

OMH owed Bivona \$163,619 at December 31, 2020. These accruals resulted from expenses incurred by OMH for operating expenses and improvements to the building and were eliminated in the consolidated financial statements. This debt was eliminated in January 2021.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 12 - TRANSACTIONS WITH RELATED PARTIES (Continued)

	<u>2021</u>	<u>2020</u>
<u>Notes Payable</u>		
OMH had a non-recourse note payable to Bivona in the amount of \$1,000,000. The note accrued interest at a rate of 2.5%, compounded annually. Monthly payments of principal and interest were due and payable, from and to the extent of Net Cash Flow available. Final payment of principal and accrued interest is due in August 2045. The note was secured by the building. This loan was paid off in 2021.	\$ -	\$ 805,208
The Corporation had a demand note payable to Bivona in the amount of \$2,511,358. The demand note was interest free and was due within ten days of written demand from Bivona. This loan was paid off in 2021.	-	2,511,358
OMH had a non-recourse note payable to Bivona in the amount of \$375,000. The note incurred interest at a rate of LIBOR + 2.5%. Monthly payments of principal and interest were due and payable, from and to the extent of Net Cash Flow available. Final payment of principal and accrued interest is due in August 2045. An additional \$33,331 was loaned in 2017 with the same terms and maturity date. This loan was paid off in 2021.	-	408,331
Total Notes Payable	-	3,724,897
Less: Current Portion	-	81,773
Long-Term Portion	<u>\$ -</u>	<u>\$ 3,643,124</u>

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 16, 2022, which is the date the statements were available for issuance.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties continue to have a negative impact on contributions, grants, net special event income, and net investment returns. There continues to be considerable uncertainty around the duration. Therefore, the related financial impact and duration cannot be reasonably estimated at this time.

**BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATING BALANCE SHEETS**

December 31, 2021

ASSETS	<u>Bivona</u>	<u>Bivona Corporation</u>	<u>One Mt. Hope</u>	<u>Eliminations</u>	<u>Consolidated</u>
<u>Current Assets</u>					
Cash and Cash Equivalents	\$ 2,547,084	\$ -	\$ -	\$ -	\$ 2,547,084
Accounts and Grants Receivable	258,328	-	-	-	258,328
Pledges Receivable, Current Portion	61,613	-	-	-	61,613
Prepaid Expenses	<u>36,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,305</u>
Total Current Assets	<u>2,903,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,903,330</u>
<u>Property and Equipment</u>					
Land, Building and Improvements	4,062,084	-	-	-	4,062,084
Furniture and Fixtures	49,734	-	-	-	49,734
Website Development	18,200	-	-	-	18,200
Computer Equipment and Software	84,092	-	-	-	84,092
Less: Accumulated Depreciation and Amortization	<u>(203,020)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(203,020)</u>
Net Property and Equipment	<u>4,011,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,011,090</u>
<u>Other Assets</u>					
Investments	2,208,409	-	-	-	2,208,409
Pledges Receivable, Long-Term Portion	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,000</u>
Total Other Assets	<u>2,245,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,245,409</u>
TOTAL ASSETS	<u><u>\$ 9,159,829</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,159,829</u></u>

**BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATING BALANCE SHEETS**

December 31, 2021

(Continued)

	<u>Bivona</u>	<u>Bivona Corporation</u>	<u>One Mt. Hope</u>	<u>Eliminations</u>	<u>Consolidated</u>
LIABILITIES AND NET ASSETS					
<u>Current Liabilities</u>					
Accounts Payable	\$ 155,955	\$ -	\$ -	\$ -	\$ 155,955
Accrued Expenses	20,547	-	-	-	20,547
Accrued Payroll and Benefits	104,075	-	-	-	104,075
Refundable Advances	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Total Current Liabilities	<u>298,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>298,577</u>
Total Liabilities	<u>298,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>298,577</u>
<u>Net Assets</u>					
Without Donor Restrictions	8,385,392	-	-	-	8,385,392
With Donor Restrictions	<u>475,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,860</u>
Total Net Assets	<u>8,861,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,861,252</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,159,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,159,829</u>

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATING STATEMENTS OF ACTIVITIES
For The Year Ended December 31, 2021

	<u>Bivona</u>			<u>Bivona</u>	<u>One</u>	<u>Eliminations</u>	<u>Consolidated</u>
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>				
	<u>Restriction</u>	<u>Restriction</u>	<u>Total</u>				
<u>Support and Revenue</u>							
Contributions	\$ 570,543	\$ 103,100	\$ 673,643	\$ -	\$ -	\$ -	\$ 673,643
Foundations	104,302	200,000	304,302	-	-	-	304,302
Grants	1,005,975	-	1,005,975	-	-	-	1,005,975
Partner Agency Fees	164,182	-	164,182	-	15,545	-	179,727
Special Events	642,835	-	642,835	-	-	-	642,835
Less: Direct Expenses	(104,264)	-	(104,264)	-	-	-	(104,264)
Summit	227,975	-	227,975	-	-	-	227,975
Less: Direct Expenses	(85,693)	-	(85,693)	-	-	-	(85,693)
Other Income	1,135	-	1,135	-	-	-	1,135
Net Assets Released from Restriction	<u>238,473</u>	<u>(238,473)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,765,463</u>	<u>64,627</u>	<u>2,830,090</u>	<u>-</u>	<u>15,545</u>	<u>-</u>	<u>2,845,635</u>
<u>Expenses</u>							
Program Services	1,905,275	-	1,905,275	-	24,399	-	1,929,674
Supporting Services:							
Management and General	212,391	-	212,391	-	689	-	213,080
Fundraising Expenses	<u>298,143</u>	<u>-</u>	<u>298,143</u>	<u>-</u>	<u>1,153</u>	<u>-</u>	<u>299,296</u>
Total Expenses	<u>2,415,809</u>	<u>-</u>	<u>2,415,809</u>	<u>-</u>	<u>26,241</u>	<u>-</u>	<u>2,442,050</u>
Change in Net Assets/Capital							
From Operations	<u>349,654</u>	<u>64,627</u>	<u>414,281</u>	<u>-</u>	<u>(10,696)</u>	<u>-</u>	<u>403,585</u>

**BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATING STATEMENTS OF ACTIVITIES**

For The Year Ended December 31, 2021

(Continued)

	Bivona						
	Without Donor	With Donor		Bivona	One		
	<u>Restriction</u>	<u>Restriction</u>	<u>Total</u>	<u>Corporation</u>	<u>Mt. Hope</u>	<u>Eliminations</u>	<u>Consolidated</u>
<u>Other Income and Expenses</u>							
Net Loss on Disposition/Sale	-	-	-	(242,258)	(3,649,331)	2,995,874	(895,715)
Investment Income	41,319	-	41,319	-	-	-	41,319
Net Investment Return	<u>227,202</u>	<u>-</u>	<u>227,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,202</u>
Total Other Income and Expenses	<u>268,521</u>	<u>-</u>	<u>268,521</u>	<u>(242,258)</u>	<u>(3,649,331)</u>	<u>2,995,874</u>	<u>(627,194)</u>
Change in Net Assets/Capital	618,175	64,627	682,802	(242,258)	(3,660,027)	2,995,874	(223,609)
Net Assets/Capital - Beginning of Year	<u>7,767,217</u>	<u>411,233</u>	<u>8,178,450</u>	<u>242,258</u>	<u>3,660,027</u>	<u>(2,995,874)</u>	<u>9,084,861</u>
Net Assets - End of Year	<u>\$ 8,385,392</u>	<u>\$ 475,860</u>	<u>\$ 8,861,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,861,252</u>