BOTZ, DEAL & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

To the Board of Directors and Management
of The Child Advocacy Center of Northeast Missouri, Inc.
d/b/a/ The Child Center

We have audited the financial statements of The Child Advocacy Center of Northeast Missouri, Inc. d/b/a/ The Child Center for the year ended June 30, 2022, and have issued our report thereon dated November 3, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Center are described in Note 2 to the financial statements. The Center adopted the requirement of ASU 2020-07, Presentation and Disclosure by Not-for-Profit Entities for contributed nonfinancial assets in fiscal 2022. We noted no transactions entered into by the Center during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management records and depreciates capital assets according to the Center's capital asset policy as described in Note 2 to the financial statements. Depreciation is based on the estimated useful lives of the assets.

- Management allocates expenses based on estimates of time or relevant basis to program, management, and fundraising categories.

- Management records in-kind donations at their estimated fair value.

- Management records the estimated value of contributed services in accordance with FASB Accounting Standards Codification Topic 958, as described in Note 2 to the financial statements.

- Management's estimate of the collectability of accounts and pledges receivable is based on management's experience and expectation of collection.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are an integral part of the statements and should be read in conjunction with them.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has approved the proposed immaterial audit adjustments.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Center's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Center's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Bank Deposits - As of June 30, 2022, deposits at one of two banks, exceeded Federal Deposit Insurance Corporation (FDIC) coverage by $10,481. While rare, if the bank would fail, there is no guarantee those funds in excess of FDIC limits would be recovered timely, if at all. We recommend management consider additional options, to ensure all funds on deposit are covered by FDIC, other similar insurance coverage, and/or otherwise secured, to mitigate the risk of loss.

Management Response: Management has reviewed the risk and performs on-going credit evaluations of their primary bank. Although the Center is directly affected by the financial stability of its bank, the Finance Committee does not believe significant credit risk exists as of June 30, 2022.

This information is intended solely for the use of board of directors and management of the Center and is not intended to be, and should not be, used by anyone other than these specified parties. Management's written response has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Botz, Deal & Company

St. Charles, Missouri

November 7, 2022

THE CHILD ADVOCACY CENTER
OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2022 AND 2021

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER

WENTZVILLE, MISSOURI

CONTENTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
THE CHILD ADVOCACY CENTER OF
NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER

Opinion

We have audited the accompanying financial statements of The Child Advocacy Center of Northeast Missouri, Inc. d/b/a The Child Center, (a not-for-profit agency) which comprise the statement of financial position as of June 30, 2022 and 2021 and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Child Advocacy Center of Northeast Missouri, Inc. as of June 30, 2022 and 2021, and the changes in their net assets and cash flows for the years 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 Child Advocacy Center of Northeast Missouri, Inc. 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 these financial statements in accordance 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 Northeast Missouri, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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, 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 The Child Advocacy Center of Northeast Missouri, Inc. 's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Child Advocacy Center of Northeast Missouri, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Botz, Deal & Company

St. Charles, Missouri

November 3, 2022

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.

D/B/A THE CHILD CENTER

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash	$ 484,830	$ 460,649
Accounts receivable	95,350	144,888
Promises to give	6,000	6,000
Prepaid expenses	18,287	17,332
TOTAL CURRENT ASSETS	604,467	628,869
PROPERTY AND EQUIPMENT		
Equipment	136,184	133,333
Furniture and fixtures	8,230	8,230
Leasehold improvements	297,829	277,964
Total Cost	442,243	419,527
Less: accumulated depreciation	(136,952)	(108,506)
Net Fixed Assets	305,291	311,021
OTHER ASSETS		
Beneficial interest in Assets held at YouthBridge Community Foundation	22,888	-
TOTAL ASSETS	$ 932,646	$ 939,890

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Accounts payable	$ 15,724	$ 18,861
Accrued payroll and payroll tax liabilities	56,262	60,704
Deferred revenues	4,200	7,590
TOTAL CURRENT LIABILITIES	76,186	87,155
NONCURRENT LIABILITIES		
Accrued compensated absences	27,317	26,036
NET ASSETS		
Without donor restrictions:		
Undesignated	798,143	820,699
Board designated - endowment	25,000	-
With donor restrictions:		
Time-restricted for future periods	6,000	6,000
TOTAL NET ASSETS	829,143	826,699
TOTAL LIABILITIES AND NET ASSETS	$ 932,646	$ 939,890

The accompanying notes are an integral part of these financial statements.

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND OTHER REVENUE			
Federal grants	$ 529,681	$ -	$ 529,681
State grants	401,912	-	401,912
Local grants	732,281	-	732,281
Foundation grants	70,750	-	70,750
Other grants	5,100	-	5,100
Corporate donations	73,552	-	73,552
Foundation donations	31,143	-	31,143
Individual donations	113,764	-	113,764
United Way	12,248	6,000	18,248
In-kind donations	184,887	-	184,887
Fundraisers and special events	523,538	-	523,538
Less: direct benefits to donors	(132,274)	-	(132,274)
Conference income	30,350	-	30,350
Interest income	257	-	257
Miscellaneous	2,291	-	2,291
Loss on invesetments	(2,326)	-	(2,326)
Net assets released from restriction - passage of time	6,000	(6,000)	-
TOTAL SUPPORT AND OTHER REVENUE	2,583,154	-	2,583,154
EXPENSES			
Program Services:			
Prevention services	554,288	-	554,288
Victim services	1,532,436	-	1,532,436
Total Program Services	2,086,724	-	2,086,724
Support Services:			
General and administrative	314,134	-	314,134
Development and fundraising	179,852	-	179,852
Total Support Services	493,986	-	493,986
TOTAL EXPENSES	2,580,710	-	2,580,710
CHANGE IN NET ASSETS	2,444	-	2,444
NET ASSETS - BEGINNING OF YEAR	820,699	6,000	826,699
NET ASSETS - END OF YEAR	$ 823,143	$ 6,000	$ 829,143

The accompanying notes are an integral part of these financial statements.

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND OTHER REVENUE			
Federal grants	$ 585,102	$ -	$ 585,102
State grants	356,290	-	356,290
Local grants	727,494	-	727,494
Foundation grants	114,450	-	114,450
Other grants	1,450	-	1,450
Corporate donations	52,148	-	52,148
Individual donations	83,847	-	83,847
United Way	12,212	6,000	18,212
In-kind donations	209,813	-	209,813
Fundraisers and special events	449,550	-	449,550
Less: direct benefits to donors	(120,906)	-	(120,906)
Interest income	184	-	184
Miscellaeous	1,133	-	1,133
CARES Act PPP forgiveness	277,352	-	277,352
Loss on disposal of assets	(4,399)	-	(4,399)
Net assets released from restriction - passage of time	6,000	(6,000)	-
Net assets released from restriction - purpose	17,862	(17,862)	-
TOTAL SUPPORT AND OTHER REVENUE	2,769,582	(17,862)	2,751,720
EXPENSES			
Program Services:			
Prevention services	532,973	-	532,973
Victim services	1,287,363	-	1,287,363
Total Program Services	1,820,336	-	1,820,336
Support Services:			
General and administrative	251,318	-	251,318
Development and fundraising	182,740	-	182,740
Total Support Services	434,058	-	434,058
TOTAL EXPENSES	2,254,394	-	2,254,394
CHANGE IN NET ASSETS	515,188	(17,862)	497,326
NET ASSETS - BEGINNING OF YEAR	305,511	23,862	329,373
NET ASSETS - END OF YEAR	$ 820,699	$ 6,000	$ 826,699

The accompanying notes are an integral part of these financial statements.

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	PROGRAM SERVICES			SUPPORT SERVICES		
	Prevention Services	Victim Services	Total Program Services	General and Administration	Development/ Fundraising	Total
Salaries, benefits, and payroll taxes	$ 419,132	$ 1,158,212	$ 1,577,344	$ 224,155	$ 139,436	$ 1,940,935
Advertising and marketing	-	-	-	-	2,410	2,410
Conference expenses	-	34,810	34,810	-	-	34,810
Contracted services	4,375	46,405	50,780	2,740	-	53,520
Credit card fees	-	-	-	15,388	-	15,388
Depreciation	7,449	16,364	23,813	3,073	1,561	28,447
Employee development and training	2,293	7,271	9,564	2,337	917	12,818
Equipment and furnishings	3,471	4,912	8,383	1,416	1,057	10,856
Fundraising events	-	-	-	-	132,274	132,274
Insurance	4,200	14,687	18,887	1,733	880	21,500
Janitorial	2,570	5,645	8,215	1,060	539	9,814
Memberships	-	4,501	4,501	1,155	4,280	9,936
Miscellaneous	-	400	400	-	-	400
Office expenses	6,660	14,633	21,293	2,987	5,529	29,809
Office expenses in-kind	6,029	13,247	19,276	2,487	1,264	23,027
Office supplies	3,265	7,173	10,438	1,348	684	12,470
Program supplies	7,269	11,843	19,112	-	-	19,112
Postage and delivery	78	278	356	1,255	1,794	3,405
Professional fees	-	84	84	21,418	-	21,502
Rent	26,574	57,733	84,307	7,474	3,994	95,775
Rent in-kind	41,018	90,115	131,133	16,923	8,597	156,653
Repairs and maintenance	1,717	7,771	9,488	708	360	10,556
Security system	917	2,014	2,931	378	192	3,501
Telephone	4,517	9,924	14,441	1,863	947	17,251
Travel	7,661	13,226	20,887	2,135	4,344	27,366
Utilities	5,093	11,188	16,281	2,101	1,067	19,449
TOTAL EXPENSES	554,288	1,532,436	2,086,724	314,134	312,126	2,712,984
Less expenses included with revenues on the statement of activities:						
Fundraising events - direct benefits to donors	-	-	-	-	(132,274)	(132,274)
Total expenses on statement of activities	$ 554,288	$ 1,532,436	$ 2,086,724	$ 314,134	$ 179,852	$ 2,580,710

The accompanying notes are an integral part of these financial statements.

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	PROGRAM SERVICES			SUPPORT SERVICES		
	Prevention Services	Victim Services	Total Program Services	General and Administrative	Development/ Fundraising	Total
Salaries, benefits and payroll taxes	$ 395,910	$ 900,090	$ 1,296,000	$ 167,585	$ 138,324	$ 1,601,909
Advertising and marketing	961	2,274	3,235	548	2,144	5,927
Conference expenses	-	490	490	-	-	490
Contracted services	4,580	41,809	46,389	2,800	-	49,189
Credit card fees	-	-	-	12,866	-	12,866
Depreciation	7,179	16,036	23,215	2,972	2,186	28,373
Employee development and training	5,888	15,532	21,420	8,336	2,413	32,169
Equipment and furnishings	1,053	38,578	39,631	2,419	446	42,496
Fundraising events	-	-	-	-	120,906	120,906
Insurance	3,519	7,861	11,380	1,457	1,072	13,909
Janitorial	2,340	5,227	7,567	969	713	9,249
Memberships	-	4,460	4,460	79	4,087	8,626
Miscellaneous	784	2,422	3,206	384	248	3,838
Office expenses	5,653	12,629	18,282	2,341	3,422	24,045
Office expenses in-kind	4,203	9,389	13,592	1,741	1,280	16,613
Office supplies	3,686	8,234	11,920	1,527	1,122	14,569
Program supplies	10,606	25,864	36,470	64	46	36,580
Postage and delivery	-	121	121	1,107	316	1,544
Professional fees	13,332	31,561	44,893	17,334	4,060	66,287
Rent	23,436	52,734	76,170	6,609	5,260	88,039
Rent in-kind	37,723	84,269	121,992	15,598	11,488	149,078
Repairs and maintenance	413	4,923	5,336	171	126	5,633
Security system	602	1,345	1,947	250	183	2,380
Telephone	3,074	6,866	9,940	1,273	936	12,149
Travel	4,035	5,722	9,757	1,232	1,651	12,640
Utilities	3,996	8,927	12,923	1,656	1,217	15,796
TOTAL EXPENSES	532,973	1,287,363	1,820,336	251,318	303,646	2,375,300
Less expenses included with revenues on the statement of activities:						
Fundraising events - direct benefits to donors	-	-	-	-	(120,906)	(120,906)
Total expenses on statement of activities	$ 532,973	$ 1,287,363	$ 1,820,336	$ 251,318	$ 182,740	$ 2,254,394

The accompanying notes are an integral part of these financial statements.

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from service recipients and funding agencies	$ 1,713,412	$ 1,578,629
Cash received from contributors, grants, and special events	862,841	719,747
Cash paid to suppliers and employees	(2,506,903)	(2,100,665)
Interest received	257	184
Other cash receipts	2,291	1,133
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	71,898	199,028
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(22,717)	(83,344)
Cash deposited for endowment	(25,000)	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(47,717)	(83,344)
NET INCREASE (DECREASE) IN CASH	24,181	115,684
CASH - BEGINNING OF YEAR	460,649	344,965
CASH - END OF YEAR	$ 484,830	$ 460,649

The accompanying notes are an integral part of these financial statements.

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

	2022	2021
CHANGE IN NET ASSETS	$ 2,444	$ 497,326
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Depreciation	28,447	28,373
Loss on disposal of assets	-	4,399
Loss on endowment investment	2,112	-
CARES Act PPP forgiveness	-	(277,352)
(Increase) decrease in assets:		
Accounts receivable	49,538	(90,257)
Prepaid expenses	(955)	(5,543)
Increase (decrease) in liabilities:		
Accounts payable	(3,137)	3,554
Accrued payroll and payroll tax liabilities	(4,442)	31,578
Accrued compensated absences	1,281	6,860
Deferred revenues	(3,390)	90
TOTAL ADJUSTMENTS	69,454	(298,298)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 71,898	$ 199,028

The accompanying notes are an integral part of these financial statements.

1. DESCRIPTION OF OPERATIONS

The Child Advocacy Center of Northeastern Missouri, Inc. d/b/a The Child Center (the Center) was organized as a not-for-profit entity July 1999 and is currently serving fourteen counties in Missouri. The mission of the Center is to respond to child abuse through a supportive team approach to reduce the trauma to children and their families. The Center operates from three locations, Wentzville, Hannibal and Memphis, Missouri.

The Center's goals are to provide a community-based setting for the skilled and objective evaluation of children identified as possible abuse victims; to provide an opportunity for agencies and professionals, mandated to intervene in suspected abuse, to collaborate; to minimize redundant interviewing by facilitating interagency cooperation; to provide therapy, crisis intervention, case management and when necessary referrals to outside agencies to meet the needs of the child; and to serve the community by providing prevention services on child abuse, sexual harassment, online safety and enticement prevention.

Victim Services - The Center has licensed professionals on staff who are specially trained to provide and assist in the following services:

Forensic Interviewing - A specially trained interviewer speaks with the child to obtain facts and information while all disciplines that may need information from the child (law enforcement, DFS, Juvenile, Prosecutor) watch behind a two-way mirror.

Advocacy - A trained advocate supports the non-offending caregiver and helps the family maneuver through this extremely difficult and stressful process.

Therapy - The Center employs in-house licensed therapists, in addition to contracting with licensed professionals to provide therapy for the children and the parents to facilitate healing.

Professional Training Services - The Center provides on-going training to staff, law enforcement, juvenile authorities, therapist, persecutors, and other relevant parties, to improve the services provided in the community for handling child sexual abuse cases. Participant trainees become part of a "response team" working together to resolve suspected cases of abuse. Currently, these training services are provided by outside seminars and course training, such as through the Center's annual Midwest Justice for Children's Conference. The Center's goal is to provide ongoing training services to the community.

Prevention Services - The Center provides specially trained degreed staff to present the Body Safety Program offering sexual abuse prevention training for elementary students and parents, internet safety and sexual abuse prevention programs for middle school students, and mandated reporting and handling of disclosures for professionals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets - Net assets, revenues, gains, and losses are classified based on 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 (or certain grantor) restrictions. The governing board has designated from net assets without donor restrictions, as net assets for a board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) 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.

Revenue and Revenue Recognition - Grant revenue under cost-reimbursable contracts are recognized when the condition is met. Funds received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Facilities - Donations of office space provided to the Center is recorded as contributions at fair market value of the space provided. Such donations are reported as unrestricted support unless the donor has restricted donation to a specific purpose.

Donated Services - Donated services are recognized as contributions in accordance with FASB Accounting Standards Codification Topic 958, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Center with specific programs and administrative tasks. Services that meet the criteria of FASB Accounting Standards Codification Topic 958 are recorded as in-kind donation of services.

Cash and Cash Equivalents - For the purposes of the statement of cash flows, the Center considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentration of Cash - The Center maintains its cash and cash equivalents at two commercial banks. The balances are insured at each location up to the amounts allowed by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2022, deposits in excess of FDIC limits totaled $10,481.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

Concentration of Revenue - The Center received approximately 61% and 58% of its total revenues from governmental agencies for the year ended June 30, 2022 and 2021, respectively. Three entities provided 49% of the Center's total revenue, for the years ended June 30, 2022 and 2021.

Accounts Receivable - Accounts receivable consists of grant revenue, fees for services provided and sponsorships earned but not yet received. An allowance for doubtful accounts is not deemed necessary as management considers the balances to be fully collectible within the next year, and historically, few balances have been written off. Approximately 94% and 82% of the accounts receivable balances were due from national, state, and local agencies, for the years ended June 30, 2022, and 2021, respectively. The Center considers a receivable to be past due after thirty days.

Advertising Costs - Advertising costs are expensed in the period in which the costs are incurred. Advertising expense was $2,410 and $5,927 for the years ended June 30, 2022 and 2021, respectively.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expense - The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Expenses which directly benefit programs, management and general or fundraising are charged to the respective functional area on the basis of actual costs. Other expenses attributed to more than one program or supporting function, are allocated using an appropriate allocation method that is consistently applied. The following expenses are allocated based on the Center's estimates of time and effort of individual employees; salaries, employee benefits, conference expenses, contracted services, depreciation, employee development & training, rent, occupancy, office expenses, dues & memberships, program supplies, and professional fees.

Income Taxes - The Child Advocacy Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(A) and has determined that the Center is not classified as a private foundation under Section 509 (a)(2).

Promises to Give - Unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectible promise to give based on historical experience, and assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2022 and 2021, all promises to give are receivable in less than one year and deemed 100% collectible.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

Property and Equipment - All acquisitions of property and equipment in excess of $2,500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Depreciation is calculated using the straight-line method over the estimated useful life of each asset as follows:

Major Group	Method	Life
Leasehold improvements	Straight-line	5 - 39 years
Furniture and equipment	Straight-line	3 - 10 years

Depreciation expense was $28,447 and $28,373 for the years ended June 30, 2022 and 2021, respectively.

3. **LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

Financial assets:		
Cash	$	484,830
Accounts receivable		95,350
Promises to give		6,000
Endowment - YouthBridge		22,888
Financial assets, at year-end		609,068
Less those unavailable for general expenditures within one year due to donor-imposed restrictions:		
Restrictions by donor for time or purpose		(6,000)
Less those unavailable for general expenditures within on year due to board designations:		
Endowment YouthBridge		(25,000)
Financial assets available to meet cash needs for general expenditures within one year	$	578,068

4. **PROMISES TO GIVE**

Promises to give as of June 30, 2022 and 2021 is $6,000. All pledges are receivable in less than one year and deemed 100% collectible.

For each of the years ended, June 30, 2022 and 2021, one donor accounted for 100% of total promises to give, respectively.

4. **PROMISES TO GIVE** - continued

Promises to give totaling $6,000 received during the years ended June 30, 2022 and 2021, were restricted by donors for future-year operations and were reported as contributions with donor restrictions.

5. **BENEFICIAL INTEREST IN ASSETS HELD AT YOUTHBRIDGE COMMUNITY FOUNDATION**

The Center, as approved and designated by the board of directors, established a quasi-endowment fund with YouthBridge with an initial deposit of $25,000 in February 2022. The assets of the fund are held and owned by YouthBridge and subject to its investment policies. The principal is to be retained and earnings are available for distribution by YouthBridge to the Center, to provide unrestricted support for the maintenance and growth of its operations. The annual spending policy is defined as, four percent of the Fund's rolling three year quarterly average market value shall be paid and distributed to the Center at least annually. Distributions in excess of the annual spending policy of the Fund may be made as determined by YouthBridges's board of directors. The YouthBridge Board has the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specific organization if, in the sole judgment of the Board such restriction or condition becomes in effect, unnecessary, obsolete incapable of fulfillment, or inconsistent with the charitable needs of the Center. The activity of the endowment fund held by YouthBridge as of June 30 is as follows:

Beginning balance June 30, 2021	$	-
Contributions		25,000
Investment returns/(losses), net		(2,112)
Ending balance June 30, 2022	$	22,888

From time to time, the fair value associated with endowment funds may fall below the initial $25,000 amount designated by the board to establish the fund. As of June 30, 2022 the fund experienced net losses of $2,112.

The Center was eligible for matching funds with YouthBridge up to 50% of the initial deposit to the Fund. YouthBridge established a separate fund of $12,500, designating the Center as the beneficiary of earnings. Distributions are made in accordance with YouthBridge's spending policy and as determined by their board of directors. The Center received $-0- in distributions related to this matching-fund during the years ended June 30, 2022 and 2021.

6. **INVESTMENTS**

The following is a summary of assets held at fair value for the years ending June 30, 2022 and 2021:

		2022		
		Fair Value Measurement Using		
	Total	Prices in Active Markets for For Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Held at YouthBridge Community Foundation	$ 22,888	$ -	$ -	$ 22,888

		2021		
		Fair Value Measurement Using		
	Total	Prices in Active Markets for Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Held at YouthBridge Community Foundation	$ -	$ -	$ -	$ -

The beneficial interest in assets held at YouthBridge Community Foundation has been valued as a practical expedient, at the fair value of the Center's share of the Foundation's investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The Foundation's investments are composed approximately of 40 percent domestic and international equities, 50 percent fixed income, and 10 percent cash equivalents. The beneficial interest in assets held at the YouthBridge Community Foundation is not redeemable by the Center as described in note 5.

Financial instruments classified as Level 3 in the fair value hierarchy represent the Center's investments in financial instruments in financial instruments in which management has used at least one significant unobservable input in the valuation model. The following table represents a reconciliation of the activities for the Level 3 financial instruments:

Balance at July 1, 201	$ -
Additional amounts invested in fund	25,000
Decrease in estimated value	(2,112)
Distributions received	-
Balance as of June 30, 2022	$ 22,888

6. **INVESTMENTS** - continued

The components of the net return (loss) on investments, including Level 3 investments, as reported in the accompanying consolidated statements of activities are as follows for the years ended June 30, 2022 and 2021:

		2022		2021
Investment Income	$	-	$	-
Gain (losses) on beneficial interest in assets held at, YouthBridge Community Foundation, net of investment income		(2,112)		-
	$	(2,112)	$	-

7. **IN-KIND DONATION**

Donated materials, equipment and facilities are recorded as support income at their estimated fair market values at the time they are received. Such donations are reported as unrestricted support unless the donor has restricted these donations to a specific purpose. None of the donated items or services were restricted.

The Center agreed to a five year lease in Hannibal, Missouri, with rent below market rate, beginning September 2018. This space is used for program services. The Center also rents space in Wentzville at a below market rate in exchange for tax credits. This space is used for both program and supporting services and is allocated based on salaries. For the years ended June 30, 2022 and 2021, the Center received in-kind rent of $156,653 and $149,078, respectively. The donated rent is valued at the fair value of similar properties available in commercial real estate listings.

The Center received additional in-kind donations in the form of fundraising event supplies for use at fundraising events. For the years ended June 30, 2022 and 2021 the Center recognized $5,208 and $44,122, respectively. These items are valued at the fair value of similar items available for purchase in local markets.

The Center received in-kind office expenses totaling $23,027 and $16,613 for the years ended June 30, 2022 and 2021, respectively. Donated office expenses are valued at the fair value of comparable services in the area. In-kind office expenses include information technology services valued at $13,800 and $12,000, for the years ended June 30, 2022 and 2021, respectively. In addition to in-kind telephone services valued at $9,227 and $4,613, for the years ended June 30, 2022 and 2021, respectively. Donated office expenses are used for both program and supporting services and is allocated based on salaries.

8. LINE OF CREDIT

The Center established a $150,000 line-of-credit at Bank of Old Monroe bearing an interest rate of 4.875%. The line-of-credit is secured by a Commercial Security Agreement and matures on February 25, 2020. This line-of-credit was renewed, and matures February 25, 2023. There were no borrowings or balances due during the years ended June 30, 2022 and 2021.

9. NOTE PAYABLE

On April 17, 2020, the Center received funding under The Paycheck Protection Program (PPP) as part of the CARES Act offered through the Small Business Administration. The terms of this agreement indicate the Center must use the proceeds to fund/offset qualifying expenses over a twenty-four week period. Funding under the PPP is in the form of a forgivable loan. The loan bears an interest rate of 1%, but is forgivable if funds are spent in accordance with the requirements of the CARES Act. This funding was recorded as a loan at June 30, 2020, with an outstanding balance totaling $277,352. This loan was officially forgiven February 18, 2021 and the entire balance of $277,352 recognized as revenue in the year ended June 30, 2021.

10. COMPENSATION OF ABSENCES

All full-time regular employees earn paid time off (PTO). PTO is earned each pay period based on years of service. Employees are allowed to carry over up to 360 hours of unused time to the following year. Up to 40 hours of accrued, unused PTO is paid to employees upon separation of employment.

11. OPERATING LEASES

The Center leases combined office space in Wentzville under operating leases that expire September 30, 2027. Annual lease payments at market value are $223,628. The Center received an in-kind donation of $151,853 and $143,599 for the years ended June 30, 2022 and 2021, respectively. Total rent and common area maintenance costs paid were $71,775 and $65,360, for the fiscal years ended June 30, 2022 and 2021, respectively.

The minimum future lease payments for the fiscal years ending June 30 are as follows:

2023	$	130,091
2024		143,867
2025		157,511
2026		159,240
2027		160,317
Thereafter		40,126

In addition, The Center agreed to a five-year lease, effective September 1, 2018. The lease expiring August 31, 2023, includes an in-kind donation of $9,000 annually for the first two years and $4,800 annually the last three years. For the years ended June 30, 2022 and 2021, the Center received in-kind rent of $4,800 and $5,500, respectively. The Center paid rent of $24,000 and $23,300 for the years ended June 30, 2022 and 2021, respectively.

11. **OPERATING LEASES** - continued

The minimum future lease payments for the fiscal years ending June 30 are as follows:

2023	$	24,000
2024		4,000

The Center entered into a 63 month copier lease effective March 21, 2016, which expired during the 2021 fiscal year. The Center entered into a new 60 month copier lease effective January 1, 2021. Total lease payments for the years ended June 30, 2022 and 2021 were $10,011 and $6,081, respectively.

The minimum future lease payments for the fiscal years ending June 30 are as follows:

2023	$	8,028
2024		8,028
2025		8,028
2026		4,014

12. **INCOME TAX**

FASB ASC Topic 740, Income Taxes, provides for the recognition of tax benefits related to uncertain tax positions. For the years ended June 30, 2022 and 2021, management believes there are no material uncertain tax positions. The Center files form 990 Return of Organization Exempt From Income Tax. Returns prior to 2018 are closed.

13. **NET ASSETS WITH DONOR RESTRICTIONS**

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

	2022	2021
Subject to the passage of time:		
Future operations	$ 6,000	$ 6,000

14. **COMMITMENTS AND CONTINGENCIES**

The Center receives a substantial amount of its support from federal, state and local governments and agencies. A significant reduction in the level of this support, if this were to occur, may have a negative effect on the Center's programs and activities. Although this is a possibility, management deems this possibility remote.

From time to time, the Center is a party to claims and legal actions arising in the ordinary course of its operations. Although the outcome of such matters cannot be forecast with certainty, in the opinion of management, all such matters are adequately covered by insurance, or if not covered, are without merit or involve amounts such that an unfavorable disposition would not have a material effect on the financial statements of the Center.

15. **RETIREMENT PLAN**

Effective April 1, 2013, the Center established The Child Center Simple IRA plan (the Plan), for all employees of the Center. The Center contributes an amount equal to 2% of the employee's compensation. The Center made contributions of $31,771 and $25,378 to the Plan for the fiscal year-ended June 30, 2022 and 2021, respectively.

16. **RECLASSIFICATIONS**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

17. **RISK AND UNCERTAINTY DUE TO COVID-19**

During the first quarter of 2020, there was a global outbreak of a novel strain of the coronavirus (COVID-19). The impact of this virus and the government mandated restrictions which resulted in a worldwide pandemic could have a significant affect the operations and future revenue of the Center. As of the date of the independent auditors' report, management cannot reasonably estimate the duration of the COVID-19 pandemic, nor the overall impact on the Center's operations. The accompanying financial statements do not include any adjustments for the risk and uncertainty of COVID-19.

18. **ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT**

During the fiscal year ended June 30, 2022, the Organization adopted the requirements of ASU No. 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This new ASU improves the disclosures related to contributions of nonfinancial assets commonly referred to as in-kind contributions. There was no affect on the amounts reported in the financial statements beginning net assets.

19. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

Subsequent to year-end, the Center leased additional office space in Wentzville, commencing August 2022 through September 2027. Monthly rent payments total $1,244 with annual increases up to $1,451 over the lease term.

Effective September 2022, the Center began operating out of an additional office location in Troy, Missouri, utilizing donated space from Mercy Health.