STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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March 11, 2024

Board of Directors
The Hendricks County Child Advocacy Center, Inc.
d/b/a Susie's Place
Hendricks County, Indiana

We have reviewed the audit report of The Hendricks County Child Advocacy Center, Inc. d/b/a Susie's Place, which was opined upon by Blue & Co., LLC, Independent Public Accountants, for the period January 1, 2022 to December 31, 2022. Per the *Repot of Independent Auditors,* the financial statements included in the report present fairly the financial condition of The Hendricks County Child Advocacy Center, Inc. d/b/a Susie's Place as of December 31, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Blue & Co., LLC prepared the audit report in accordance with guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White

Tammy R. White, CPA
Deputy State Examiner

THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.

D/B/A

FINANCIAL STATEMENTS

DECEMBER 31, 2022

CPAs / ADVISORS

blue

HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.

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CPAs / ADVISORS

blue

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Hendricks County Child Advocacy Center, Inc.
Avon, Indiana

Opinion

We have audited the accompanying financial statements of Hendricks County Child Advocacy Center, Inc. (the Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2022, 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 the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principles

As discussed in Note 3 to the financial statements, on January 1, 2022, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

As discussed in Note 9 to the financial statements, on January 1, 2022 the Organization adopted FASB ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

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.

REPORT OF INDEPENDENT AUDITORS
(Continued)

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement 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 Organization'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Blue & Co., LLC

Carmel, Indiana
October 18, 2023

HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.

STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2022

ASSETS

Cash and cash equivalents	$ 400,527
Investments	33,557
Accounts receivable	64,468
Contributions receivable	122,019
Prepaid expenses and other assets	41,934
Property and equipment, net	108,278
Right of use assets under operating leases, net	695,371
	$ 1,466,154

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	$ 2,894
Operating lease liabilities	695,371
Total liabilities	698,265
Net assets	
Without donor restrictions	686,889
With donor restrictions	81,000
Total net assets	767,889
	$ 1,466,154

See accompanying notes to financial statements.

HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Revenue			
Fees and grants from government agencies - exchange	$ 293,139	$ -0-	$ 293,139
Prevention training fees	87,825	-0-	87,825
Support			
Fees and grants from government agencies - contributions	613,255	-0-	613,255
Contributions	224,281	40,000	264,281
Contributions of nonfinancial assets	16,200	-0-	16,200
Special events revenue	217,018	-0-	217,018
Investment income, net	7,361	-0-	7,361
Other	13,449	-0-	13,449
Net assets released from restrictions	36,000	(36,000)	-0-
Total support and revenue	1,508,528	4,000	1,512,528
Expenses			
Program services	1,202,674	-0-	1,202,674
Fundraising	150,564	-0-	150,564
Management and general	78,704	-0-	78,704
Total expenses	1,431,942	-0-	1,431,942
Change in net assets	76,586	4,000	80,586
Net assets, beginning of year	610,303	77,000	687,303
Net assets, end of year	$ 686,889	$ 81,000	$ 767,889

See accompanying notes to financial statements.

HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services	Fundraising	Management and General	Total
Salaries	$ 692,249	$ 54,447	$ 31,112	$ 777,808
Payroll taxes and benefits	64,687	5,088	2,907	72,682
	756,936	59,535	34,019	850,490
Special events	-0-	55,809	-0-	55,809
Professional fees	11,279	2,820	26,182	40,281
Contract labor	22,817	-0-	-0-	22,817
Rent	166,831	13,310	7,605	187,746
Depreciation	36,274	2,853	1,630	40,757
Telephone and utilities	32,313	2,541	1,453	36,307
Repair and maintenance	2,484	195	112	2,791
Insurance	16,273	1,280	731	18,284
Postage and printing	9,802	771	441	11,014
Office supplies	41,705	3,280	1,875	46,860
Technology	33,242	2,615	1,493	37,350
Advertising and promotion	984	102	45	1,131
Travel and meals	36,741	2,890	1,651	41,282
Dues and subscriptions	896	70	41	1,007
Training and related travel	11,866	933	534	13,333
Miscellaneous	22,231	1,560	892	24,683
Total expenses	$ 1,202,674	$ 150,564	$ 78,704	$ 1,431,942

See accompanying notes to financial statements.

HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

Operating activities	
Change in net assets	$ 80,586
Adjustments to reconcile change in net assets	
to net cash flows from operating activities:	
Depreciation	40,757
Unrealized gains on investments, net	(6,932)
Changes in operating assets and liabilities:	
Accounts receivable	(40,278)
Contributions receivable	(5,926)
Prepaid expenses and other assets	34,158
Right of use assets under operating leases, net	(695,371)
Accounts payable and accrued expenses	2,674
Operating lease liabilities	695,371
Net cash flows from operating activities	105,039
Investing activities	
Capital expenditures	(43,245)
Purchases and other increases in investments	(429)
Net cash flows from investing activities	(43,674)
Net change in cash and cash equivalents	61,365
Cash and cash equivalents, beginning of year	339,162
Cash and cash equivalents, end of year	$ 400,527

See accompanying notes to financial statements.

1. NATURE OF ACTIVITIES

Hendricks County Child Advocacy Center, Inc., d/b/a Susie's Place (the Organization) was incorporated and commenced operations as a not-for-profit organization in 1991 under the laws of the State of Indiana. The purpose of the Organization is to provide neutral, child-friendly centers to investigate alleged child abuse and neglect in Indiana, while keeping the comfort and safety of the child the first priority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements report net assets and changes in net assets in classes based upon the existence or absence of restrictions on use placed by the Organization's donors, as follows:

Net assets without donor restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions - Net assets with donor restrictions are resources subject to donor stipulations for specific purposes or time restrictions. These include donor restrictions requiring the net assets to be held in perpetuity or for a specific term with investment return available for operations or specific purposes, if applicable.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the statement of activities by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents, but excludes cash equivalents held by investment managers which are included in investments. At December 31, 2022, cash and cash equivalents represent cash held in checking and money market accounts.

Investments and Investment Return

Investments are carried at fair value for financial reporting purposes. Changes in unrealized appreciation or depreciation of investments are reflected in the statement of activities in the period in which such changes occur. Realized gains and losses are recorded based on the cost of the specific securities sold. Interest and dividend income is recorded when earned. Investment return is recognized as revenue without donor restrictions unless its use is restricted by donors to a specified purpose or future period.

Accounts Receivable

Accounts receivable (contract receivables) represent amounts due to the Organization under cost reimbursement grants which are considered to be exchange transactions and performance based service contracts where allowable costs have been incurred or the services have been performed. All amounts are due within one year. Accounts receivable had a balance at December 31, 2022 of $64,468 and at January 1, 2022 of $24,190.

Management estimates an allowance for uncollectible accounts receivable based on an evaluation of current economic conditions, historical trends, and past experience with their clients and grantors. There is no allowance for doubtful accounts at December 31, 2022.

Contributions Receivable

Contribution receivable consist of amounts which have been unconditionally promised to the Organization by donors and amounts due to the Organization under cost reimbursement grants determined to be conditional contributions where conditions have been met. Management estimates an allowance for uncollectible contributions receivable based on an evaluation of current economic conditions, historical trends, and past experiences with the Organization's grantors and donors. There is no allowance for doubtful contributions receivable at December 31, 2022.

Property and Equipment

It is the Organization's policy to capitalize all significant purchases of property and equipment at cost, including expenditures that substantially increase the useful lives of existing assets. Costs of ordinary maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets which are five years for furniture and equipment and five to 15 years for leasehold improvements.

Gifts of property and equipment are recorded as support at their estimated fair value. Such gifts are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose or stipulated how long those long-lived assets must be used.

Revenue and Support Recognition

Prevention training fees (contract fees) are recognized as revenue in the period the services are performed at the stated price per contract. Revenue funded by grants and contracts (contract fees) considered to be exchange transactions are recognized over time as the Organization performs the contracted services or incurs eligible expenses under grant agreements, at the stated price per contract. Activities and expenses allocated to grants and contracts are subject to audit and acceptance by the awarding agency and, as a result of such audit, adjustments could be required.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give, or a notification of a beneficial interest is received. 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.

Consequently, at December 31, 2022, contributions approximating $620,000 have not been recognized in the accompanying statement of activities because the conditions on which they depend have not yet been met.

All other revenue is recognized when earned and reported as an increase in net assets without donor restrictions.

Revenues and support are reported as increases in net assets with or without donor restrictions based upon whether the donor has imposed any restrictions. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions are met in the same reporting period in which the revenue and support is recognized.

Functional Allocation of Expenses

The costs of providing the programs and services of the Organization have been summarized on a functional basis in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on time and usage by personnel and programs. Expenses allocated include salaries, payroll taxes and benefits, rent, depreciation, telephone and utilities, insurance, technology, and office supplies. In certain instances, grant budgets specify the expenditures allowed and as these expenses are incurred, they are charged to the grant. Although the method used was appropriate, other methods could produce different results.

Income Taxes

The Organization is organized as a not-for-profit corporation under Section 501(c)(3) of the United States Internal Revenue Code and similar state law.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements.

The Organization is generally exempt from income taxes. However, the Organization is required to file Federal Form 990 – Return of Organization Exempt from Income Tax and a corresponding state return, which are informational returns only. The Organization has filed its Federal and state income tax returns for periods through December 31, 2021 and is subject to routine audits by taxing jurisdictions. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

Recently Issued Accounting Standard

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments (Topic 326)*. This new standard, which the Organization is required to adopt in its year ending December 31, 2023, is intended to improve financial reporting about expected credit losses on financial assets by requiring entities to use the new current expected credit loss approach that will generally result in earlier recognition of allowances for credit losses. The standard also requires a formal process to estimate current expected credit losses and will require specific supporting calculations of the allowance for doubtful accounts supported by the formal process.

The Organization is presently evaluating the effect that this ASU will have on its future financial statements, including related disclosures.

Subsequent Events

The Organization evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 18, 2023, which is the date the financial statements were available to be issued.

3. CHANGE IN ACCOUNTING PRINCIPLE

On January 1, 2022, the Organization adopted the new lease accounting standard issued by the FASB and codified in the Accounting Standards Codification (ASC) as Topic 842 (ASC 842). The lease standard in ASC 842 intended to improve financial reporting about leasing transactions by requiring entities to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in ASC 842) of twelve months or less are not required to be reflected on an entity's statement of financial position.

The Organization applied the modified retrospective approach to all lease agreements when adopting ASC 842. ASC 842 was applied retrospectively to the beginning of the period of adoption through a cumulative-effect adjustment recognized as of January 1, 2022. The adoption of ASC 842 had a material impact on the statement of financial position but did not have a significant impact on the statement of activities and the statement of cash flows. As of January 1, 2022, the Organization's total assets and total liabilities increased by $580,348 as a result of ASC 842. The most significant impact was the recognition of right-of-use (ROU) assets under operating leases and operating lease liabilities for operating leases.

The Organization elected the available practical expedients to account for its existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether any expired or existing contracts contain a lease, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs, if any, before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement. In addition, the Organization elected the hindsight practical expedient to determine the lease term for existing leases.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy which 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) and the lowest priority to unobservable inputs (Level 3). The three levels of fair value hierarchy are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets which the Organization has the ability to access.
- Level 2 – Inputs to the valuation methodology 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 which are observable for the asset or liability; inputs which are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology 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 which 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

- *Exchange traded funds:* Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation which may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

At December 31, 2022, the Organization's assets measured at fair value on a recurring basis are held by one investment manager and include two exchange traded equity mutual funds, with individual percentages of 87% and 10% of total investments, and are measured as Level 1 inputs in the U.S. GAAP fair value hierarchy.

The following is a summary of the investment holdings of the Organization's investments as of December 31, 2022:

Exchange traded funds - equities	$	32,666
Cash and cash equivalents		891
	$	33,557

The following schedule summarizes investment return (including interest on cash and cash equivalents) for the year ended December 31, 2022:

Unrealized gains, net	$	6,932
Interest and dividend income		429
	$	7,361

The Organization's investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term which could materially affect the amounts reported in the accompanying financial statements.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2022:

Furniture and equipment	$ 305,271
Leasehold improvements	88,607
	393,878
Accumulated depreciation	(285,600)
	$ 108,278

6. LEASES

The Organization recognizes right-of-use (ROU) assets and lease liabilities for leases with terms greater than 12 months or leases that contain a purchase option that is reasonably certain to be exercised. Leases are classified as either finance or operating leases. This classification dictates whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

The Organization has operating leases for its facilities. Leasing arrangements require fixed payments and also include an amount that is probable will be owed under residual value guarantees, if applicable. Lease payments also include payments related to purchase or termination options when the lessee is reasonably certain to exercise the option or is reasonably certain not to exercise the option, respectively. The Organization's lease agreements do not contain any material restrictive covenants. The leases have remaining terms of two to six years.

The Organization's ROU assets and lease liabilities are recognized on the lease commencement date in an amount that represents the present value of future lease payments over the lease term. The Organization utilizes the risk-free rate commensurate to the lease term as the discount rate for its leases unless the Organization can specifically determine the lessor's implicit rate. The Organization has made a policy election to not separate the lease and non-lease components where applicable, and thus recognizes a single lease component for all of its ROU assets and lease liabilities. The operating ROU assets also include any lease payments made and excludes lease incentives, if any.

Short-term leases (leases with an initial term of 12 months or less or leases that are cancelable by the lessee and lessor without significant penalties) are not capitalized but are expensed on a straight-line basis over the lease term. There were no such leases at December 31, 2022.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. Furthermore, the Organization assesses whether it is reasonably certain to exercise options to extend or terminate a lease considering all relevant factors that create economic incentive to exercise such options, including asset, contract, market, and entity-based factors. These evaluations may require significant judgment.

The Organization's total operating lease cost, excluding contributed rent, for the year ended December 31, 2022 is $151,746.

The Organization's right-of-use assets and lease liabilities and other disclosures as of and for the year ended December 31, 2022 are as follows:

Right-of-use assets		
Operating lease assets, net	$	695,371
Lease Liabilities		
Operating lease liabilities	$	695,371
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	151,746
Right-of-use assets obtained in exchange for new operating lease liabilities	$	259,091
Weighted-average remaining lease term - years		5.2
Weighted-average discount rate		1.45%

Future payments of lease liabilities are as follows at December 31, 2022:

Year Ending December 31,		
2023	$	156,551
2024		129,544
2025		130,573
2026		131,602
2027		128,161
Thereafter		46,427
Total lease payments		722,858
Less: interest		(27,486)
Present value of lease liabilities	$	695,372

7. LINE OF CREDIT

The Organization has $100,000 of available borrowings under a line of credit agreement with a bank, which is due on demand and has no maturity date. Borrowings under this facility are unsecured and bear interest at the bank's prime lending rate plus 1.0% (8.5% at December 31, 2022) with a minimum floor rate of 5%. There were no outstanding borrowings on the line of credit at December 31, 2022.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31, 2022:

Subject to expenditure for specified purpose:		
Facility improvements	$	60,000
Subject to passage of time:		
Contributed rent		21,000
	$	81,000

Net assets were released from donor-imposed restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors amounted to $36,000 for the year ended December 31, 2022 and related to use of contributed rent at one facility location.

9. CONTRIBUTED NONFINANCIAL ASSETS

On January 1, 2022, the Organization adopted FASB ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This new standard is intended to increase transparency around contributed nonfinancial assets (also known as gifts-in-kind (GIK)) received by not-for-profit organizations, including information on how those assets are used and how they are valued. The adoption of this new standards resulted in expanded disclosure requirements for GIK as described below for the year ended December 31, 2022.

Contributions of nonfinancial assets recognized in the statement of activities include the following for the year ended December 31, 2022:

Rent	$	5,655
Therapy dog services		2,969
Supplies and other expenses		7,576
	$	16,200

The Organization receives the use of donated facilities for its program operations and supporting services. The fair value of donated rent is estimated using the average price per square foot of rental listings in the Organization's service area. Other GIK are valued using prices for similar goods and services purchased in the ordinary course of business. The GIK are not received with explicit donor restrictions, except as noted in Note 8 related to one facility lease agreement. Therapy dog services and supplies ae other expenses are utilized in program services. Rent is allocated among program and supporting services based upon time spent by personnel.

10. LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets that are available to meet general expenditures within one year of the statement of financial position date; that is, amounts which are without donor restrictions or board designations limiting their use at December 31, 2022:

Financial assets:	
Cash and cash equivalents	$ 400,527
Investments	33,557
Accounts receivable	64,468
Contributions receivable	122,019
Total financial assets	620,571
Net assets with donor restrictions	(81,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 539,571

As part of the Organization's liquidity management, its practice is to structure its financial assets to be available to pay its general expenditures, liabilities, and other obligations as they come due. In addition, the Organization has a policy to maintain cash reserves at an amount no less than the three-month moving average of monthly operating expenses. In the event of an unanticipated liquidity need, the Organization has available borrowings of $100,000 under a line of credit (Note 7).

11. RETIREMENT PLAN

The Organization offers a SIMPLE IRA plan covering all eligible employees who meet the eligibility requirements. The Organization matches 100% of the employee's contributions up to 3% of the employee's total salary. The Organization's contribution expense to the plan for the year ended December 31, 2022 was $8,032.

12. CONCENTRATIONS

Cash and Cash Equivalents

The Organization maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed Federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Funding Concentrations

The Organization receives funding under grants and contracts awarded directly and indirectly by Federal and state and local governments. The majority of these agreements contain provisions which permit the arrangements to be terminated or the funds provided to be reduced if the government does not appropriate adequate funds to maintain current funding levels.

At December 31, 2022, amounts due under one cost reimbursement exchange contract amounted to 82% of total accounts receivable.

At December 31, 2022, 100% of fees from government agencies – exchange was recognized from one funder.

At December 31, 2022, amounts due under two cost reimbursement grants amounted to 100% of total contributions receivable, with individual percentages of 75% and 25%.

At December 31, 2022, 91% of fees from government agencies – contributions were recognized from two funders with individual percentages of 76% and 15%.