

THE CHILDREN'S CENTER OF MEDINA COUNTY

(A NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

**Laura J. MacDonald, CPA, Inc.
3637 Medina Road, Suite 25
Medina, Ohio 44256**

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
FINANCIAL STATEMENTS
June 30, 2022 and 2021**

<u>TABLE OF CONTENTS</u>	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses	
Year Ended June 30, 2022	5
Year Ended June 30, 2021	6
Statements of Cash Flows	7
Notes to Financial Statements	8



Specializing in Audits
of Non-Profit Agencies

LAURA J. MACDONALD
CPA, INC.

3637 Medina Road, Suite 25 • Medina, Ohio 44256
330-760-3478

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Children's Center of Medina County
Medina, Ohio

Opinion

I have audited the accompanying financial statements of The Children's Center of Medina County (a nonprofit organization), which comprise the Statements of Financial Position as of June 30, 2022 and 2021, and the related Statements of Activities, Functional Expenses and Cash Flows for the years then ended, and the related Notes to the Financial Statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Children's Center of Medina County as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of The Children's Center of Medina County and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 The Children's Center of Medina County'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

My 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 my 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.

To the Board of Directors
The Children's Center of Medina County
Medina, Ohio

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

- 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 Children's Center of Medina County'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Children's Center of Medina County's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

A handwritten signature in black ink, appearing to be 'J. M. ...', written over a horizontal line.

Medina, Ohio
January 9, 2023

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	\$ 195,872	\$ 117,880
Restricted for capital campaign	8,074	38,684
Grants and reimbursement contracts receivable	7,921	23,563
Accounts receivable	3,700	-
Prepaid expenses	5,072	9,034
	<u>220,639</u>	<u>189,161</u>
PROPERTY AND EQUIPMENT		
Land	58,700	58,700
Building and building improvements	721,755	721,755
Computers and software	9,641	5,399
Furniture and equipment	48,981	36,691
Land improvements	57,247	57,247
	<u>896,324</u>	<u>879,792</u>
Less accumulated depreciation	(114,231)	(85,682)
	<u>782,093</u>	<u>794,110</u>
	<u>\$ 1,002,732</u>	<u>\$ 983,271</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 2,525	\$ 8,762
Accrued expenses		
Accrued payroll and related expenses and withholdings	4,405	882
Accrued vacation	13,313	6,875
Refundable advances	-	2,625
Current portion of long-term debt	-	80,985
	<u>20,243</u>	<u>100,129</u>
LONG-TERM DEBT, net of unamortized discount	-	-
NET ASSETS		
Net assets without donor restrictions	974,415	844,458
Net assets with donor restrictions	8,074	38,684
	<u>982,489</u>	<u>883,142</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,002,732</u>	<u>\$ 983,271</u>

Please refer to accompanying notes.

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2022 and 2021**

CHANGES IN UNRESTRICTED NET ASSETS	<u>2022</u>	<u>2021</u>
UNRESTRICTED SUPPORT AND REVENUE		
Program revenue:		
JFS visitation revenue	\$ 35,026	\$ 29,943
Medical exam revenue	6,000	6,952
Contributions	122,613	74,912
Fundraising revenue, net of expenses of \$18,578 and \$5,872 in 2022 and 2021, respectively	183,093	103,311
Grants and reimbursement contracts	172,985	212,872
Paycheck Protection Program funding	-	17,083
In-kind contributions	33,848	54,256
Other income	8,526	87
	<u>562,091</u>	<u>499,416</u>
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of donor restrictions	<u>30,610</u>	<u>77,972</u>
	592,701	577,388
UNRESTRICTED EXPENSES		
Program expenses	341,909	260,028
Fundraising expenses	8,801	3,323
Management and general expenses	<u>112,034</u>	<u>189,950</u>
	<u>462,744</u>	<u>453,301</u>
INCREASE IN UNRESTRICTED NET ASSETS	129,957	124,087
CHANGE IN DONOR RESTRICTED NET ASSETS		
Grants restricted for electronic devices	-	(3,423)
Contributions disbursed for capital projects	<u>(30,610)</u>	<u>(74,549)</u>
DECREASE IN DONOR DONOR RESTRICTED NET ASSETS	<u>(30,610)</u>	<u>(77,972)</u>
INCREASE IN NET ASSETS	99,347	46,115
NET ASSETS AT BEGINNING OF YEAR	<u>883,142</u>	<u>837,027</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 982,489</u></u>	<u><u>\$ 883,142</u></u>

Please refer to accompanying notes.

THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	<u>PROGRAM EXPENSES</u>	<u>FUND- RAISING</u>	<u>MANAGE- MENT AND GENERAL</u>	<u>AGENCY TOTALS</u>
Salaries and wages	\$ 168,181	\$ 3,169	\$ 62,500	\$ 233,850
Payroll taxes and benefits	27,684	-	9,938	37,622
Facility expenses	12,900	-	4,704	17,604
Office expenses	13,110	4,545	8,564	26,219
Conferences	5,546	873	-	6,419
Professional fees	13,768	-	11,650	25,418
Insurance	5,390	-	1,348	6,738
Equipment/service contracts	7,414	-	1,853	9,267
Interest	3,556	-	1,250	4,806
Depreciation	26,240	-	6,559	32,799
In-kind expenses	33,634	214	-	33,848
Other	24,486	-	3,668	28,154
	<u>\$ 341,909</u>	<u>\$ 8,801</u>	<u>\$ 112,034</u>	<u>\$ 462,744</u>

Please refer to accompanying notes.

THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	<u>PROGRAM EXPENSES</u>	<u>FUND- RAISING</u>	<u>MANAGE- MENT AND GENERAL</u>	<u>AGENCY TOTALS</u>
Salaries and wages	\$ 144,602	\$ 2,353	\$ 89,225	\$ 236,180
Payroll taxes and benefits	14,473	-	26,946	41,419
Facility expenses	3,173	-	11,802	14,975
Office expenses	6,392	763	14,213	21,368
Conferences	1,780	10	554	2,344
Professional fees	8,770	-	20,090	28,860
Medical exams	378	-	-	378
Insurance	-	-	4,876	4,876
Equipment/service contracts	434	-	8,502	8,936
Interest	245	-	4,150	4,395
Depreciation	23,792	-	5,948	29,740
In-kind expenses	53,389	72	795	54,256
Other	2,600	125	2,849	5,574
	<u>\$ 260,028</u>	<u>\$ 3,323</u>	<u>\$ 189,950</u>	<u>\$ 453,301</u>

Please refer to accompanying notes.

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 99,347	\$ 46,115
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	28,549	29,740
Amortization of deferred financing fees	4,250	245
(Increase) decrease in assets:		
Grants and reimbursement contracts receivable	15,642	(5,807)
Accounts receivable	(3,700)	9,451
Unconditional promises to give	-	12,469
Prepaid expenses	3,962	(4,992)
Increase (decrease) in liabilities:		
Accounts payable	(6,237)	5,608
Accrued payroll and related expenses and withholdings	9,961	7,009
Refundable advances	(2,625)	2,625
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>149,149</u>	<u>102,463</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment additions	(16,532)	(33,241)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash payments for financing fees	-	-
Payments on long-term debt	(85,235)	(79,370)
NET CASH USED BY FINANCING ACTIVITIES	<u>(85,235)</u>	<u>(79,370)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	47,382	(10,148)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>156,564</u>	<u>166,712</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 203,946</u>	<u>\$ 156,564</u>

Cash and Cash Equivalents:

Cash and cash equivalents at the end of the year consists of the following:

	<u>2022</u>	<u>2021</u>
Unrestricted cash and cash equivalents	\$ 195,872	\$ 117,880
Cash restricted for capital campaign	8,074	38,684
	<u>\$ 203,946</u>	<u>\$ 156,564</u>

Please refer to accompanying notes.

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Children's Center of Medina County (the Center) was incorporated in 2007 as a non-profit organization. The Children's Center's mission is to reduce trauma by providing a pathway to healing for children and families impacted by abuse, neglect and exploitation. The Center's primary sources of funding are grants and reimbursement contract revenues, fundraisers, private donations and program service fees.

Accounting Basis

The Children's Center of Medina County maintains its financial statements on the accrual basis of accounting, in accordance with generally accepted accounting principles.

Financial Statement Presentation

The Center's financial statements are presented in accordance with FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities* and the provisions of Accounting Standards Update (ASU) 2016-14. ASU 2016-14 requires the Organization to report information regarding its financial position and activities in two categories of net assets as described below:

Net Assets Without Donor Restrictions

Net Assets Without Donor Restrictions are either not subject to donor-imposed stipulations or are subject to such restrictions but those restrictions have been met in the same fiscal period that the revenue is recorded.

Net Assets With Donor Restrictions

Net Assets With Donor Restrictions are subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Net Assets With Donor Restrictions totaled \$8,074 as of June 30, 2022 and \$38,684 as of June 30, 2021 and includes capital campaign funds pledged for the Center's new facility and restricted campaign funds received.

Adoption of ASC 606 "Revenue from Contracts with Customers"

The Organization has adopted ASC 606 effective for its 2021 fiscal year beginning July 1, 2020, using the full retrospective approach. This standard requires an entity to recognize revenue when control of the related goods or services is transferred to the customer or patient. Revenues are recognized in an amount equal to the expected compensation to be received. Because the Center bills for services on a daily basis and has no long-term performance contracts, the adoption of this accounting standard did not materially impact the 2022 or 2021 financial position, results of operations or cash flows of the Organization and no cumulative effect of a change in accounting principle has been recorded relating to this adoption.

Property and Equipment

Property and equipment is stated at cost, or in the case of contributed property, at fair market value as of the date of contribution. All individual acquisitions of property and equipment over \$1,500 are capitalized. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Building and building improvements	39 years
Computers and software	5 years
Furniture and equipment	5 years
Leasehold improvements	5 years

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021**

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

Accounts/Grants and Reimbursement Contracts Receivable

Accounts, grants and reimbursement contracts receivable are considered to be fully collectible; accordingly, no allowance for doubtful accounts is required. The funds due from various funding sources under grants and reimbursement contracts are recognized as revenue in the accounting period when expenditures are incurred and the grant funds are earned.

Compensated Absences

Certain employees of the Organization are entitled to paid vacation, sick and personal days off. Accrued vacation totaled \$13,313 as of June 30, 2022 and \$6,875 as of June 30, 2021.

Contributions

Contributions are accounted for in accordance with FASB ASC 958-605-2. FASB ASC 958-605-2 requires that contributions are recognized when a donor makes a pledge to give that is, in substance, unconditional. Contributions that are restricted by a donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases donor restricted net assets. When a restriction expires, donor restricted net assets are reclassified to unrestricted net assets.

In-kind Contributions

The Center recognizes in-kind contributions of supplies and services in accordance with the guidelines outlined in FASB ASC 958-605. In accordance with FASB ASC 958-605, in-kind contributions of services are recognized as revenue in the financial statements if the services received (a) create or enhance non-financial assets (primarily property or other tangible or intangible assets) or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet this criteria, and promises to give such services, are not recognized.

In-kind contributions consisting of professional fees, construction services and related supplies totaled \$33,848 and \$54,256 for the years ended June 30, 2022 and 2021, respectively. In 2022, this amount was comprised of \$16,200 in professional services and \$17,648 in supplies. In 2021, this amount was comprised of \$27,678 in professional services and \$26,578 in supplies.

Disclosure of Subsequent Events

The Center is required to disclose the date through which subsequent events have been evaluated, in accordance with the requirements of FASB ASC Paragraph 855-10-50-1. The Center has evaluated all subsequent events from July 1, 2022 through the date the accompanying financial statements were available to be issued (January 9, 2023).

Income Taxes

The Center is a private non-profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. None of the Center's present or anticipated future activities are subject to taxation as unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021**

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

The Center has adopted the provisions of FASB ASC 740-10-25 that requires the disclosure of uncertain tax positions. There have been no interest or penalties recognized in the accompanying Statements of Financial Position or the Statements of Activities relating to uncertain tax positions. Additionally, no tax positions exist for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease during the next 12 months. The Center evaluates uncertain tax positions, if any, on a continual basis. The Center's Federal income tax returns are generally subject to examination by the IRS for three years after they are filed.

Statements of Cash Flows

The Statements of Cash Flows are presented in accordance with FASB ASC 230. The Center considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents consisted of money market funds as of June 30, 2022 and 2021. In accordance with ASU 2016-14, restricted deposits have also been included in cash and cash equivalents in the accompanying Statements of Cash Flows. Cash payments for interest totaled \$4,806 and \$4,395 during the years ended June 30, 2022 and 2021, respectively. There were no cash payments for income taxes.

Functional Allocation of Expenses

The costs of nurturing abused and neglected children and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain shared costs have been allocated between program expenses, management and general expenses and fundraising expenses using various allocation methods which attempt to allocate the costs equitably in relation to the benefits provided. These allocations are based on square footage and full-time equivalents, as applicable.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of assets carrying value to its future undiscounted net cash flows. Impaired assets are recognized at the lower of fair value or carrying amount. No impaired assets were identified during the years ended June 30, 2022 and 2021.

Concentration of Credit Risk

Financial instruments, which could potentially subject The Children's Center of Medina County to concentration of credit risk include cash and cash equivalents and grants/contracts and pledges receivable. These financial instruments are all carried at their approximate fair value. At various times during the years ended June 30, 2022 and 2021 bank balances exceeded federally insured limits. The Center's policy is to limit credit exposure on financial instruments and to place its cash and cash equivalents with financial institutions that are credit worthy. Grants and reimbursement contracts receivable are due primarily governmental entities and non-profit Organizations with limited credit risk.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make certain estimates that affect the amount of assets, liabilities, revenues and expenses reported in the financial statements. Actual results could differ from those estimates.

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reclassifications

Certain account balances in the 2021 financial statements have been reclassified to conform with the 2022 presentation.

NOTE 2 – GRANTS AND REIMBURSEMENT CONTRACTS RECEIVABLE

Grants and reimbursement contracts receivable totaled \$7,921 and \$23,563 as of June 30, 2022 and 2021, respectively, and consists of grant funding due under the Victims of Crime Act (VOCA) in each year.

NOTE 3 – LONG-TERM DEBT

Long-term debt consists of the following as of June 30, 2021:

Commercial promissory note payable to bank in monthly installments of \$1,049, including interest at a variable rate (4.26% through November, 2024) and adjusted every 5 years thereafter, with any unpaid principal and accrued interest due in October, 2039. Secured by land and building and any related improvements.	\$85,235
Less debt issuance costs	<u>(4,250)</u>
	80,985
Less current portion	<u>80,985</u>
Long – term portion	<u>—</u>

In accordance with ASC 835-30-45-32 debt issuance costs, totaling \$4,250 as of June 30, 2021, have been reflected as a reduction in the related debt balance and will be amortized over the life of the related loans (20 years). Amortization expense associated with debt issuance costs totaled \$245 for the year ended June 30, 2021 and \$4,250 for the year ended June 30, 2022.

In September, 2020, a prepayment was made on the Commercial Promissory Note, of \$75,000 and in November, 2021, this note was paid in full. Accordingly, the remaining balance as of June 30, 2021 has been reflected as a current liability in the accompanying 2021 Statement of Financial Position, based on management's intent and all remaining debt issuance costs were expensed as of November, 2021

NOTE 4 – PAYROLL PROTECTION PROGRAM LOAN

In late February, 2021, the Organization received \$17,083 in Payroll Protection Program Loan funding under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under the terms of this agreement, the loan proceeds will be forgiven if used for qualifying expenditures (including salaries, wages and benefits) with some limitations. Management believed all funding received under this program had been disbursed for qualifying expenditures as of June 30, 2021, and accordingly, the entire \$17,083 has been reflected as unrestricted revenue during the fiscal year ending June 30, 2021. On October 19, 2021, the Organization received official notice that this loan has been forgiven.

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021**

NOTE 5 - CORPORATE FUNDRAISING ACTIVITIES

The Center held various fundraising activities during the years ended June 30, 2022 and 2021. Revenue and expenses from these activities totaled \$201,671 and \$18,578, respectively during the year ended June 30, 2022 and \$109,183 and \$5,872, respectively during the year ended June 30, 2021.

NOTE 6 – DONOR RESTRICTED NET ASSETS

Donor restricted net assets totaled \$8,074 and \$38,684 as of June 30, 2022 and 2021 and consists of cash restricted for a capital campaign.

NOTE 7 – NON-CANCELLABLE OPERATING LEASE COMMITMENTS

The Center leases office equipment under a non-cancellable operating lease agreement. Future minimum payments under this agreement are as follows:

<u>Year Ended June 30,</u>	
2023	\$1,152
Thereafter	-

Rent expense for all leases totaled \$3,611 for the year ended June 30, 2022 and \$3,961 for the year ended June 30, 2021.

NOTE 8 – RETIREMENT PLAN

During fiscal 2019, The Children's Center of Medina County established a SIMPLE IRA in order to provide retirement benefits to eligible employees. The Center has agreed to make voluntary annual contributions to the Plan, at the discretion of the Center's Board of Trustees. During the years ended June 30, 2022 and 2021, The Center contributed \$6,525 and \$7,328, respectively to this Plan. These contributions were based on employee matching contributions of up to 3% of each eligible employee's salary.

NOTE 9 - LIQUIDITY

The Center's sources of revenue includes unrestricted program revenue, fundraising revenue, contributions, grants, reimbursement contracts and other unrestricted revenue (which accounts for approximately 94% of total revenues, excluding in-kind). Because the Center's unrestricted revenue stream is substantial, the Organization's management anticipates it will have no difficulty maintaining sufficient resources to meet any restrictions imposed by its donors during the upcoming year. The Center had \$8,074 in restricted capital campaign contributions held in a separate bank deposit account as of June 30, 2022 and this amount represents all restricted unspent contributions received as of June 30, 2022.

As of June 30, 2022, the Center also had \$195,872 in unrestricted cash and cash equivalents and \$11,621 in grants and reimbursement contracts/accounts receivable available to meet obligations for general expenditures.

In accordance with ASU 2016-14, assets included in the accompanying Statements of Financial Position have been sequenced according to the date of their anticipated conversion to cash and liabilities have been sequenced according to their estimated maturity dates.