

**COUNCIL FOR CHILDREN'S RIGHTS, INC.
CHARLOTTE, NORTH CAROLINA**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021



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**COUNCIL FOR CHILDREN'S RIGHTS, INC.
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YEARS ENDED JUNE 30, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Council for Children's Rights, Inc.
Charlotte, North Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Council for Children's Rights, Inc. (the Council), 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Council for Children's Rights 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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Council for Children's Rights ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 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 GAAS, 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 Council for Children's Rights' 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 Council for Children's Rights 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.



CliftonLarsonAllen LLP

Charlotte, North Carolina
October 19, 2022

COUNCIL FOR CHILDREN'S RIGHTS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 1,068,209	\$ 53,396	\$ 1,121,605
Receivables, Net:			
United Way	-	81,251	81,251
Grants	-	334,000	334,000
Pledges, Current Portion, Net	11,025	-	11,025
Attorney Fees, Net	26,045	-	26,045
Other	111,224	-	111,224
Prepaid Expenses	47,969	-	47,969
Total Current Assets	1,264,472	468,647	1,733,119
Property and Equipment, Net	204,784	-	204,784
OTHER ASSETS			
Receivables, Net of Current Portion:			
Pledges	-	8,100	8,100
Investments - Beneficial Interest	-	6,349	6,349
Total Other Assets	-	14,449	14,449
 Total Assets	 \$ 1,469,256	 \$ 483,096	 \$ 1,952,352
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	\$ 5,107	\$ -	\$ 5,107
Rent Payable	29,885	-	29,885
Other Liabilities	88,147	-	88,147
Payroll Liabilities	77,621	-	77,621
Total Current Liabilities	283,799	-	283,799
Other Liabilities, Net of Current Portion	47,604	-	47,604
Payroll Liabilities, Net of Current Portion	-	-	-
Rent Payable, Net of Current Portion	31,729	-	31,729
Total Liabilities	280,093	-	280,093
NET ASSETS			
Without Donor Restrictions:			
Undesignated	1,139,163	-	1,139,163
Designated by the Board	50,000	-	50,000
Total Without Donor Restrictions	1,189,163	-	1,189,163
With Donor Restrictions	-	483,096	483,096
Total Net Assets	1,189,163	483,096	1,672,259
 Total Liabilities and Net Assets	 \$ 1,469,256	 \$ 483,096	 \$ 1,952,352

See accompanying Notes to Financial Statements.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 1,244,498	\$ 56,270	\$ 1,300,768
Receivables:			
United Way	-	125,001	125,001
Grants	-	167,000	167,000
Pledges, Current Portion, Net	12,394	33,446	45,840
Attorney Fees, Net	38,410	-	38,410
Other	52,296	-	52,296
Prepaid Expenses	46,146	-	46,146
Total Current Assets	1,393,744	381,717	1,775,461
Property and Equipment, Net	237,186	-	237,186
OTHER ASSETS			
Receivables, Net of Current Portion:			
Pledges	-	8,100	8,100
Grants	-	105,000	105,000
Investments	988	7,884	8,872
Total Other Assets	988	120,984	121,972
 Total Assets	 \$ 1,631,918	 \$ 502,701	 \$ 2,134,619
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	\$ 2,971	\$ -	\$ 2,971
Rent Payable	28,149	-	28,149
Note Payable	10,022	-	10,022
Other Liabilities	27,509	-	27,509
Payroll Liabilities	74,423	-	74,423
Total Current Liabilities	143,074	-	143,074
Other Liabilities, Net of Current Portion	81,241	-	81,241
Payroll Liabilities, Net of Current Portion	26,516	-	26,516
Rent Payable, Net of Current Portion	61,614	-	61,614
Note Payable, Net of Current Portion	308,578	-	308,578
Total Liabilities	621,023	-	621,023
NET ASSETS			
Without Donor Restrictions:			
Undesignated	960,895	-	960,895
Designated by the Board	50,000	-	50,000
Total Without Donor Restrictions	1,010,895	-	1,010,895
With Donor Restrictions	-	502,701	502,701
Total Net Assets	1,010,895	502,701	1,513,596
 Total Liabilities and Net Assets	 \$ 1,631,918	 \$ 502,701	 \$ 2,134,619

See accompanying Notes to Financial Statements.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Contributions and Grants	\$ 752,403	\$ 238,647	\$ 991,050
United Way	85,769	81,251	167,020
Special Events, Net of \$21,062			
Direct Special Event Costs	128,678	-	128,678
Contributions of Nonfinancial Assets	633,031	-	633,031
Forgiveness of Debt	321,114	-	321,114
Revenue:			
Governmental Agencies	674,348	-	674,348
Attorney Fees and Other	111,136	-	111,136
Investment Income	3,123	(1,535)	1,588
Rental Income	214,220	-	214,220
Net Assets Released from Restrictions	337,968	(337,968)	-
Total Support and Revenue	3,261,790	(19,605)	3,242,185
 EXPENSES			
Program Services:			
Custody Advocacy	1,078,012	-	1,078,012
Individual Advocacy	553,068	-	553,068
System Advocacy	97,608	-	97,608
Children's Defense Advocacy	816,027	-	816,027
Total Program Services	2,544,715	-	2,544,715
Management and General Fundraising	93,386	-	93,386
Total Expenses	445,421	-	445,421
	3,083,522	-	3,083,522
 CHANGE IN NET ASSETS	178,268	(19,605)	158,663
Net Assets - Beginning of Year	1,010,895	502,701	1,513,596
 NET ASSETS - END OF YEAR	\$ 1,189,163	\$ 483,096	\$ 1,672,259

See accompanying Notes to Financial Statements.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Contributions and Grants	\$ 984,676	\$ 330,246	\$ 1,314,922
United Way	407,509	125,001	532,510
Special Events, Net of \$16,517			
Direct Special Event Costs	182,772	-	182,772
Contributions of Nonfinancial Assets	472,759	-	472,759
Forgiveness of Debt	321,219	-	321,219
Revenue:			
Governmental Agencies	567,836	-	567,836
Attorney Fees and Other	42,873	-	42,873
Investment Income	1,654	1,153	2,807
Rental Income	96,124	-	96,124
Net Assets Released from Restrictions	361,517	(361,517)	-
Total Support and Revenue	3,438,939	94,883	3,533,822
 EXPENSES			
Program Services:			
Custody Advocacy	829,440	-	829,440
Individual Advocacy	398,424	-	398,424
System Advocacy	116,681	-	116,681
Children's Defense Advocacy	767,163	-	767,163
Total Program Services	2,111,708	-	2,111,708
 Management and General Fundraising	77,011	-	77,011
Total Expenses	461,414	-	461,414
	2,650,133	-	2,650,133
 CHANGE IN NET ASSETS	788,806	94,883	883,689
Net Assets - Beginning of Year	222,089	407,818	629,907
 NET ASSETS - END OF YEAR	\$ 1,010,895	\$ 502,701	\$ 1,513,596

See accompanying Notes to Financial Statements.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services				Total Program Services	Management and General	Fundraising	Total
	Custody Advocacy	Education Law	System Advocacy	Children's Defense Advocacy				
OPERATING EXPENSES								
Salaries	\$ 338,175	\$ 294,392	\$ 51,158	\$ 439,998	\$ 1,123,723	\$ 46,393	\$ 223,284	\$ 1,393,400
Taxes and Benefits	82,776	96,565	13,404	143,572	336,317	12,373	53,559	402,249
Attorney Fees (In-Kind)	399,672	-	-	-	399,672	-	-	399,672
Services	52,190	45,012	11,321	64,532	173,055	13,251	73,323	259,629
Training	803	901	403	1,386	3,493	6,155	4,942	14,590
Supplies	2,584	2,193	411	3,384	8,572	383	5,233	14,188
Printing	680	920	280	942	2,822	107	9,750	12,679
Postage and Shipping	714	297	54	485	1,550	85	4,760	6,395
Travel	-	-	-	920	920	540	261	1,721
Insurance	6,633	5,629	1,054	8,098	21,414	558	3,376	25,348
Occupancy	109,002	92,508	17,327	133,077	351,914	9,163	55,480	416,557
Volunteer and Board	2	1	-	2	5	-	1	6
Dues and Memberships	4,036	3,931	188	4,211	12,366	803	601	13,770
Depreciation	8,480	7,196	1,348	10,352	27,376	710	4,316	32,402
Bad Debt	68,114	-	-	-	68,114	-	-	68,114
Special Events	-	-	-	-	-	-	21,062	21,062
All Other	4,151	3,523	660	5,068	13,402	2,865	6,535	22,802
Total Expenses	<u>1,078,012</u>	<u>553,068</u>	<u>97,608</u>	<u>816,027</u>	<u>2,544,715</u>	<u>93,386</u>	<u>466,483</u>	<u>3,104,584</u>
Less: Direct Special Event Costs Deducted from Revenue	-	-	-	-	-	-	(21,062)	(21,062)
Net Expenses	<u>\$ 1,078,012</u>	<u>\$ 553,068</u>	<u>\$ 97,608</u>	<u>\$ 816,027</u>	<u>\$ 2,544,715</u>	<u>\$ 93,386</u>	<u>\$ 445,421</u>	<u>\$ 3,083,522</u>

See accompanying Notes to Financial Statements.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services				Total Program Services	Management and General	Fundraising	Total
	Custody Advocacy	Education Law	System Advocacy	Children's Defense Advocacy				
OPERATING EXPENSES								
Salaries	\$ 307,811	\$ 220,909	\$ 63,254	\$ 413,802	\$ 1,005,776	\$ 44,838	\$ 256,736	\$ 1,307,350
Taxes and Benefits	69,832	57,975	19,675	126,719	274,201	11,674	58,442	344,317
Attorney Fees (In-Kind)	244,926	2,925	-	-	247,851	-	-	247,851
Services	48,032	31,274	10,381	59,043	148,730	4,011	42,814	195,555
Training	189	1,220	123	780	2,312	663	629	3,604
Supplies	2,851	1,757	495	3,519	8,622	549	4,678	13,849
Printing	1,177	889	376	1,544	3,986	100	7,964	12,050
Postage and Shipping	855	454	129	924	2,362	134	6,666	9,162
Travel	114	24	7	178	323	58	280	661
Insurance	6,881	4,203	1,195	8,437	20,716	585	4,127	25,428
Occupancy	110,422	67,453	19,178	135,395	332,448	9,388	66,228	408,064
Volunteer and Board	46	28	8	56	138	4	27	169
Dues and Memberships	4,093	3,509	209	5,088	12,899	677	720	14,296
Depreciation	3,826	2,337	665	4,691	11,519	323	2,295	14,137
Bad Debt	22,710	-	-	-	22,710	-	-	22,710
Special Events	-	-	-	-	-	-	16,517	16,517
All Other	5,675	3,467	986	6,987	17,115	4,007	9,808	30,930
Total Expenses	<u>829,440</u>	<u>398,424</u>	<u>116,681</u>	<u>767,163</u>	<u>2,111,708</u>	<u>77,011</u>	<u>477,931</u>	<u>2,666,650</u>
Less: Direct Special Event Costs Deducted from Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,517)</u>	<u>(16,517)</u>
Net Expenses	<u>\$ 829,440</u>	<u>\$ 398,424</u>	<u>\$ 116,681</u>	<u>\$ 767,163</u>	<u>\$ 2,111,708</u>	<u>\$ 77,011</u>	<u>\$ 461,414</u>	<u>\$ 2,650,133</u>

See accompanying Notes to Financial Statements.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 158,663	\$ 883,689
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows Provided (Used) by Operating Activities:		
Depreciation Expense	32,402	14,137
Provision for Bad Debts	68,114	22,710
Unrealized (Gain) Loss on Investments, Net	1,535	(1,153)
Forgiveness of Debt	(321,114)	(321,219)
Decrease (Increase) in Operating Assets:		
Receivables	(98,112)	(131,845)
Prepaid Expenses	(1,823)	(4,604)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	4,650	1,885
Rent Payable	(28,149)	(26,513)
Payroll Liabilities	(23,318)	40,330
Other Liabilities	27,001	108,750
Net Cash Provided (Used) by Operating Activities	(180,151)	586,167
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	988	5,132
Purchase of Property and Equipment	-	(241,593)
Net Cash Provided (Used) by Investing Activities	988	(236,461)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long Term Debt	-	468,600
Payments on Long Term Debt	-	(150,000)
Net Cash Provided by Financing Activities	-	318,600
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(179,163)	668,306
Cash and Cash Equivalents - Beginning of Year	1,300,768	632,462
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,121,605	\$ 1,300,768

See accompanying Notes to Financial Statements.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 ORGANIZATION

Council for Children's Rights, Inc. (CFCR and the Council) is a North Carolina nonprofit corporation and primarily serves children in the Mecklenburg County, North Carolina area. The Council envisions a community that treats all children with fairness, compassion, and respect, and acts to ensure every child experiences equitable opportunity. The Council protects and advances the legal rights and development of children through individual representation, community education, and by addressing community-wide issues through systems advocacy, research, and policy work. The Council operates the following major programs:

Custody Advocacy

The Council serves as the court-appointed best interest attorney to represent the best interests of children who are caught in the middle of high conflict custody cases. Using a combination of staff attorneys, volunteer attorneys and volunteer child advocates, the Council ensures that the child's voice is heard and that the judge has all the necessary information to make a decision that is in the best interest of the child. The Council receives cases through court appointment from a district court judge; this program operates only through court order. The Council's partial compensation for custody advocacy services through a court-ordered fee based on the income of the parties. The Council represents only the child – not the court or the parents.

Education Law

The Council's attorneys and advocates serve as best interest advocates for children who are in need of services. These advocates work in the complex areas of special education, mental health, child welfare (abuse, neglect, and dependency), public benefits, domestic violence, and human trafficking. The Council receives almost all of these cases by court order through the district court, and occasionally through community referrals from concerned parents, guardians, relatives or others who contact the Council's office. The Council helps clients navigate complex social service systems so they can receive appropriate services to meet their needs. When advocacy or other intervention efforts are unsuccessful, the Council can use impact litigation on behalf of an individual child to ensure that the child's legal rights are protected. The Council specializes in working with children who have complex needs in multiple social services systems, who are at risk of languishing and falling through the cracks.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 ORGANIZATION (CONTINUED)

System Advocacy

The Council identifies gaps in services to children and promotes improvement in those services so fewer children fall into crisis. We champion improvement both through our own communications and by encouraging others to join our advocacy. The Council seeks to influence the leaders of local and state governments to adopt new policies and to improve existing laws so all children receive effective and efficient services. The Council informs the public about how systems are succeeding and where systems are failing to provide the services our children need to be safe, healthy, and educated. We encourage the community to join us in action to celebrate successes and to advocate for the correction of failures. Research is the core of the Council's improvement of services for all children. Our research work draws on a wealth of information to guide our adoption and implementation of the best practices for helping our children to be safe, healthy, and educated.

First, we capture and analyze our direct knowledge of the legal and social systems serving children in our community and the first-hand data accumulated from more than 35 years of standing up for children. Second, we collaborate with our community partners to share information about the problems facing our community's children and the solutions that work. Finally, we apply research from outside resources to confirm identified needs and to validate proposed solutions.

Children's Defense Advocacy

The Council serves as the specialized juvenile public defender in Mecklenburg County. Through a contract with the North Carolina Office of Indigent Defense Services, which provides funding for roughly 65% of the cost of the program, the Council's attorneys represent all children charged with crimes in juvenile delinquency court. In addition to performing the public defender role in juvenile court, the Council represents every child that is facing confinement in a mental health institution. As express interest attorneys, the Council provides the voice of the child and fights to ensure that the child's constitutional and statutory rights are protected. The Council is the only specialized juvenile public defender in North Carolina.

Public Awareness

The Council is dedicated to raising awareness of children's issues in the community. The Council uses events, written publications, media partnerships, as well as the collection and dissemination of best practice programs for children.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and related revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. From time-to-time, the board of directors may designate certain amounts to be utilized/invested to meet specific objectives of the Council. Such amounts are reflected as net assets without donor restrictions, board-designated.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.

The Council has adopted a policy to record all donor-restricted contributions as without donor restrictions if the funds were utilized in the current fiscal year. Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Adoption of New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* which increases transparency about the measurement of contributed nonfinancial assets recognized by not-for-profit entities. This new standard requires contributed nonfinancial assets to be presented as a separate line item in the statement of activities and to disclose information regarding the measurement of the nonfinancial assets. Required disclosures include whether the contributions were monetized or utilized during the reporting period, a description of the valuation technique used to determine a fair value measure, and a description of any donor-imposed restrictions associated with the contribution. The Council's adoption of this new guidance only resulted in additional disclosures being added to the financial statements.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

CFCR is a North Carolina nonprofit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). CFCR is not classified as a private foundation. Accordingly, no provision for income taxes is required in the financial statements.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status (Continued)

The Council's income tax returns are subject to review and examination by federal, state, and local authorities. The Council is not aware of any activities that would jeopardize its tax-exempt status. The Council is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

U.S. GAAP requires the Council to recognize a tax benefit or expense from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the tax authorities, based on the technical merits of the position. Management believes the Council had no uncertain tax positions as of June 30, 2022 and 2021.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and investment accounts with original maturities less than three months. The Council maintains bank accounts at various financial institutions covered by the Federal Deposit Insurance Corporation (FDIC). At times throughout the year, the Council may maintain bank account balances in excess of the FDIC insured limit; however, management believes they are not exposed to any significant cash credit risk.

Investments

The Council's investments are carried on the statements of financial position at estimated fair value. Gains and losses on the change in the value of investments are recorded as increases or decreases in net assets with donor restrictions.

Property and Equipment

Property and equipment with a value of \$500 or more is recorded at cost if purchased or fair market value if donated. Costs that improve or extend the useful lives of assets are capitalized. Amounts paid for maintenance and repairs are expensed as incurred.

Depreciation expense is recorded using the straight-line method of depreciation over the estimated useful lives of the assets, which range from three years for software, to fifteen years for leasehold improvements.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Uniform Prudent Management of Institutional Funds Act

During fiscal year 2009, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) became effective in the state of North Carolina. The Council adopted the provisions of the financial accounting standard for endowments of nonprofit organizations (the UPMIFA Standard) with respect to the accounting for the corpus and income recognition on endowment funds. This standard did not have a material impact on the Council's financial position or change in net assets as of and for the years ended June 30, 2022 or 2021.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Nonfinancial Assets

The Council recognized contributed nonfinancial assets within revenue, including donated services and donated use of facilities, as further described below. Contributed nonfinancial assets did not have donor-imposed restrictions.

Donated Services

The Council records contributed services if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Certain professional services are donated by various attorneys in the Council's service area. The donated professional services amount has been valued at approximately \$400,00 and \$248,000 for the years ended June 30, 2022 and 2021, respectively, and have been included in program services within the accompanying statements of functional expenses. Such donated services have been reflected in the accompanying financial statements at their estimated fair value of \$150 per hour, based on estimated salary rates, payroll taxes, and employee benefits expenses which would be required if the Council employed attorneys to perform these services.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Council with program services, management and general, and fundraising efforts. The Council does not record the value of other donated services in its financial statements since the value of the services generally does not meet the criteria for revenue recognition.

Donated Use of Facilities

During the years ended June 30, 2022 and 2021, the Council received office rent at a reduced rate. The donated use of facilities amount has been valued at approximately \$233,000 and \$225,000 for the years ended June 30, 2022, and 2021, respectively, and have been included in occupancy expense in the accompanying statements of functional expenses. This estimated fair value is based on comparable rental rates in the local real estate market.

Donated facilities are approved by Children and Family Services Center, Inc. (the Center) on an annual basis, and are recorded as in-kind revenue and expense in the period in which they are received. Because there are numerous factors used in determining the rental rates each period, the Council is unable to estimate the amount of below market rent for future periods. Accordingly, no receivable has been recorded in the accompanying statements of financial position for below market rent.

Deferred Rent Revenue

Operating lease revenue is recorded on the straight-line basis over the term of the lease. Deferred rent is recorded where there are material differences between the fixed payment and the rent expense recognized. Deferred rent included in other liabilities on the statement of financial position was approximately \$69,000 and \$34,000 for the years ended June 30, 2022, and 2021, respectively.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Support

Contributions received are recorded as net assets with or without donor restrictions support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are released to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. 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. Conditional contributions whose conditions are met in the same reporting period in which they are received are reported as unconditional contributions.

Grant awards are evaluated by management and determined to either be unconditional contributions, exchange transactions, or conditional contributions. If considered to be an unconditional contribution, revenue from grants is recorded upon notification of the award. If considered to be an exchange transaction, revenue from grants is recorded as expenses are incurred under the terms of the respective grant agreement. If considered to be a conditional contribution, revenue from grants is recorded at the time the conditions on which they depend have been met.

A portion of Council's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Council has incurred expenditures in compliance with specific grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as deferred revenue in the statement of financial position. Council received cost-reimbursable grants of approximately \$236,000 for the years ended June 30, 2022 and June 30, 2021 that have not been recognized, because qualifying expenditures have not yet been incurred. No advance payments have been received.

Funding Sources

The Council is supported primarily by voluntary contributions and grants that are received from United Way, individuals, companies, and foundations and a bi-annual contract with the State of North Carolina Office of Indigent Defense. Additional revenue comes from fees generated for services provided.

Functional Allocation of Expenses

Expenses are allocated to program services, management and general, and fundraising based on direct payroll allocation, square footage, full-time equivalents within each department, management's estimate of time spent, and total direct expenses.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties

In March 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national, and global economies. The extent to which COVID-19 impacts the Council's results are dependent on the breadth and duration of the pandemic and could be affected by other factors currently unable to be predicted. These impacts may include, but are not limited to additional costs for emergency preparedness or loss of revenue due to reductions in certain revenue streams. Management believes the Council is taking appropriate actions to mitigate the negative impact. However, the full impact is unknown and cannot be reasonably estimated at this time.

Subsequent Events

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through October 19, 2022, the date the financial statements were available to be issued.

Recent Accounting Pronouncement Not Yet Adopted

In June 2020, the FASB issued ASU 2020-05, *Leases (Topic 842)*. The amendments in the update increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. The guidance is required to be applied by the Council for the year ended June 30, 2023. The Council is currently evaluating the effect that the standard will have on the financial statements.

NOTE 3 RECEIVABLES

United Way and Grants

The United Way and the grants receivable are presented in the accompanying financial statements at their estimated net realizable value. These amounts are expected to be collected in full. Accordingly, no allowance for bad debts has been recorded.

Pledges Receivable, Net

Unconditional promises to give are recognized in the period the promise 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. Management has determined an allowance for bad debts based on an evaluation of the receivables, historical experience, and current and anticipated economic conditions.

Management calculated the discount on pledges receivable and determined it to be immaterial to the financial statements. Accordingly, no discounts have been recorded for the years ended June 30, 2022 and 2021.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 RECEIVABLES (CONTINUED)

The following is a summary of unconditional promises to give as of June 30:

	2022	2021
Due in Less than One Year	\$ 12,250	\$ 50,933
Due in One to Five Years	9,000	9,000
Total	21,250	59,933
Less: Allowance for Bad Debts	(2,125)	(5,993)
Pledges Receivable, Net	\$ 19,125	\$ 53,940

Attorney Fees, Net

As of June 30, 2022 and 2021, attorney fees receivable of approximately \$104,000 and \$153,000, respectively, are presented in the accompanying statements of financial position net of an estimated allowance for bad debts of approximately \$78,000 and \$115,000, respectively.

NOTE 4 SPECIAL EVENTS

Special Events revenue, including multi-year pledged amounts, and expenses consist of the following at June 30:

	2022	2021
A Night for Children's Rights:		
Revenue	\$ 132,840	\$ 196,289
Expense	18,901	11,450
Net Revenue	\$ 113,939	\$ 184,839
Other:		
Revenue	\$ 16,900	\$ 3,000
Expense	2,161	5,067
Net Revenue/(Loss)	\$ 14,739	\$ (2,067)
Total:		
Revenue	\$ 149,740	\$ 199,289
Expense	21,062	16,517
Net Revenue	\$ 128,678	\$ 182,772

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5 INVESTMENTS

Beneficial Interest

The Council has established the Council for Children Endowment Fund (the Fund) with the Foundation for the Carolinas (the Foundation). These assets and the related investment income are included in the accompanying financial statements. The Council may request distributions of investment income from the Fund. The Board of Directors of the Foundation has complete discretion as to the timing and amounts of distributions from these funds; however, all funds are ultimately repayable to the Council. The Foundation has no variance power to distribute any portion of these funds to another nonprofit entity.

Investments, including the beneficial interests held at the Foundation, are reported at fair value and consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Equities	\$ -	\$ 988
Foundation for the Carolinas, Endowed		
Long-Term Growth	6,349	7,884
Total	<u>\$ 6,349</u>	<u>\$ 8,872</u>

Investment earnings for the years ended June 30, 2022 and 2021 were comprised of the following:

	<u>2022</u>	<u>2021</u>
Unrealized Gain (Loss) on Investments	<u>\$ (1,535)</u>	<u>\$ 1,153</u>

NOTE 6 PROPERTY AND EQUIPMENT, NET

Property and equipment, net as of June 30, 2022 and 2021 is comprised of the following:

	<u>2022</u>	<u>2021</u>
Leasehold Improvements	\$ 459,393	\$ 459,393
Furniture, Fixtures, and Equipment	22,030	22,030
Software	2,376	2,376
Total	483,799	483,799
Less: Accumulated Depreciation and Amortization	(279,015)	(246,613)
Property and Equipment, Net	<u>\$ 204,784</u>	<u>\$ 237,186</u>

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 NOTE PAYABLE

In April 2020, Council entered into a new unsecured promissory note (the PPP Loan One) with a lender in the amount of \$318,600 under the Paycheck Protection Program (PPP) established by section 1102 of the CARES Act and as implemented and administered by the Small Business Administration (SBA). Under the terms of the agreement, the PPP Loan One bears an interest rate of 1.0% and will be repaid in 18 monthly installments of \$17,933 beginning on November 20, 2020. As of June 30, 2021, the SBA had formally forgiven Council's obligation under this PPP Loan One, and as such, has recognized approximately \$321,000, comprised approximately \$319,000 was principal and \$2,000 of accrued interest, as forgiveness of debt on the accompanying statement of activities for the year ended June 30, 2021.

In February 2021, Council entered into a new unsecured promissory note (the PPP Loan Two) with a lender in the amount of \$318,600 under the PPP established by section 1102 of the CARES Act and as implemented and administered by the SBA. Under the terms of the agreement, the PPP Loan Two bears an interest rate of 1.0% and will mature on the fifth anniversary of the date of the PPP Loan Two in February 2026. Ten months after the covered period of twenty-four weeks, the first monthly installment of approximately \$7,145 will be due. The outstanding balance on the PPP Loan Two at June 30, 2021 was approximately \$319,000. As of June 30, 2022, the SBA had formally forgiven Council's obligation under this PPP Loan Two, and as such, has recognized approximately \$321,000, comprised approximately \$319,000 was principal and \$2,000 of accrued interest, as forgiveness of debt on the accompanying statement of activities for the year ended June 30, 2022.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty, however, management is of the opinion that any review will not have a material adverse impact on Council's financial position.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Restricted for Time:		
Children's Defense Advocacy	\$ 66,000	\$ 30,500
Individual Advocacy	105,000	209,999
Operations	214,351	166,548
Custody Advocacy	38,000	31,500
Restricted for Purpose:		
Children's Defense Advocacy	-	12,520
Education Law	53,396	43,750
All Other	1,223	2,758
In Perpetuity	5,126	5,126
Total Net Assets With Donor Restrictions	<u>\$ 483,096</u>	<u>\$ 502,701</u>

Net assets released from restrictions for the years ended June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Restricted for Time:		
Operations	\$ 158,447	\$ 232,247
Restricted for Purpose:		
Children's Defense Advocacy	43,021	43,305
Education Law	105,000	-
Custody Advocacy	31,500	25,000
All Other	-	60,965
Total Net Assets Released from Restrictions	<u>\$ 337,968</u>	<u>\$ 361,517</u>

NOTE 9 LEASE COMMITMENTS

The Council leases office space from the Center, a nonprofit organization created to construct and maintain an office building to house Charlotte nonprofit agencies serving children and families in a central location at an affordable rate (Building). The lease agreement also includes use of certain furniture, storage space, telephone system, computer equipment, and information technology and other collaborative services. The lease expires on January 31, 2029, and is renewable for two additional 10-year periods, and a third period ending December 31, 2052. The lease agreement required payments of approximately \$19,200 per month for the year ended June 30, 2022. Lease payments may be changed at the Center's discretion.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 9 LEASE COMMITMENTS (CONTINUED)

On June 11, 2015, the Council amended their lease to allow for a deferral of rent payments for the period June 1, 2015 through June 30, 2016 (the Deferred Occupancy Cost). If the Council repaid the full amount of the Deferred Occupancy Costs on or before June 30, 2020, there would be no interest payable to the landlord. If the full Deferred Occupancy Cost was not repaid by June 30, 2020, the Council would be subject to a deferred financing fee (Deferred Financing Fee) equal to the full amount of the deferral over seven years at a rate of 6% interest per annum. The Deferred Financing Fee and the Deferred Occupancy Costs were due in full by June 2023. On October 19, 2018, the Council amended their lease to modify the terms of the Deferred Occupancy Cost. Repayment of the outstanding Deferred Occupancy Cost began July 1, 2018. The Council is now paying \$2,731 in equal monthly installments until June 30, 2024 which includes a 6% per annum Deferred Financing Fee. The principal portion of this repayment is shown as Rent Payable on the accompanying statements of financial position. Prepayment of this liability can be made at any time without penalty.

Future aggregate minimum annual payments under the operating lease agreement for office space, certain furniture, information technology and collaborative services, are due during the year ending June 30, assuming no deferral of rent:

<u>Year Ending June 30.</u>	<u>Amount</u>
2023	\$ 253,541
2024	253,541
2025	253,541
2026	253,541
2027	253,541
Thereafter	401,440
Total	<u>\$ 1,669,145</u>

NOTE 10 RETIREMENT PLAN

In August 2009, the Council began participating in the CFSC Shared Services, LLC 401(k) plan, a defined contribution retirement savings plan which covers all full-time and part-time employees of the Council who meet certain minimal eligibility requirements. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Each year, participants may make contributions on a pre-tax basis up to maximum amounts established by the Internal Revenue Service beginning the first day of the quarter following date of hire. The Council contributes a matching contribution of 100% of the first 1% of base compensation that a participant contributes and 50% of the next 5% that a participant contributes.

The Council's contributions to the plan for the years ended June 30, 2022 and 2021, were approximately \$39,000 and \$35,000, respectively.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 11 FAIR VALUE MEASUREMENTS

The Council uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Council measures fair value, refer to Note 2 – Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the balances of the assets of the Council measured at fair value on a recurring basis as of June 30, 2022 and 2021:

	2022			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments				
Endowed Long-Term Growth	\$ -	\$ -	\$ 6,349	\$ 6,349
Total Investments at Fair Value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,349</u>	<u>\$ 6,349</u>
	2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments				
Equities	\$ 988	\$ -	\$ -	\$ 988
Endowed Long-Term Growth	-	-	7,884	7,884
Total Investments at Fair Value	<u>\$ 988</u>	<u>\$ -</u>	<u>\$ 7,884</u>	<u>\$ 8,872</u>

The beneficial interest in assets held by trustee is a broadly diversified portfolio of assets invested in fixed income funds, large cap equities, small cap equities, international equities, as well as hedge funds. The fair value of the fixed income funds and equities is based on quoted market prices, while the value of the hedge funds has been estimated based on the underlying account balances subject to the fund manager's review. The value of the assets in the beneficial interest in assets held by trustee is allocated monthly on a pro rata basis, based on the Council's share of the total pooled assets.

During the years ended June 30, 2022 and 2021 there were no purchases, issuances, or transfers related to Level 3 investments.

NOTE 12 COLLABORATIVE SERVICES

The Council participates in a collaboration agreement with the Center and several other nonprofit agencies located in the Building to share financial and human resource functions. The collaboration will continue through the termination of the Council's Building lease. If the Council renews its Building lease, the collaboration agreement will be automatically extended for a period coterminous with the lease.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 13 CONCENTRATIONS

Funding

The Council receives the majority of its funding from a limited number of funding sources, specifically through grants from the United Way of Central Carolinas and a bi-annual contract with the State of North Carolina Office of Indigent Defense. Any significant reduction in funding from either source, if this were to occur, could have a significant effect on the Council's programs and activities.

Geographic Area

The Council operates in a limited geographic area and is sensitive to changes in the local economy.

NOTE 14 LINE OF CREDIT

The Council entered into a promissory note for a line of credit (LOC) in the amount of \$75,000 in December of 2017, collateralized by assets of the Council. The LOC bears interest at a rate of prime plus 1.5% and requires monthly interest payments. The interest rate cannot be less than 4.5%. In August 2020, Council entered into an agreement to increase LOC to the amount of \$100,000. The interest terms remained the same as in the prior agreement. The LOC is due on demand. As of June 30, 2022 and 2021, the Council did not have an outstanding balance under the LOC.

NOTE 15 RELATED PARTY TRANSACTIONS

The Council had approximately \$11,000 and \$24,000 in pledges receivable from Board members for the years ended June 30, 2022 and 2021, respectively.

NOTE 16 LIQUIDITY AND AVAILABILITY

The Council strives to maintain liquid assets sufficient to cover 60 to 120 days of general expenditures. The Council receives significant contributions and grants restricted by donors and subject to expenditures for specific purposes or within a specific timeframe. Those contributions are considered to be available to meet cash needs for general operations if the restrictions are anticipated to be met within one year. The Council has designated \$50,000 of net assets without donor restrictions for the purpose of expenditures related to debt reduction. As of June 30, 2022 and 2021, the Council had \$100,000 of available borrowings on a line of credit that could be used to cover general expenditures.

COUNCIL FOR CHILDREN'S RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 16 LIQUIDITY AND AVAILABILITY (CONTINUED)

The following table reflects the Council's financial assets available within one year of the statements of financial position for general expenditures as of June 30:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 1,068,209	\$ 1,244,498
United Way Receivable	81,251	125,001
Pledge Receivable, Current Portion	11,025	45,840
Attorney Fees Accounts Receivable, Net	26,045	38,410
Other Current Receivables	<u>111,224</u>	<u>52,296</u>
Total Net Financial Assets Available to Meet Liquidity Needs	<u>\$ 1,297,754</u>	<u>\$ 1,506,045</u>

NOTE 17 TENANT LEASE

In August 2020 the Council entered into a sublease agreement with a tenant related to space in the Building, which expires January 2024. The aggregate annual rental payments to be received under this agreement subsequent to June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 178,517
2024	84,462
Total	<u>\$ 262,979</u>

NOTE 18 EMPLOYEE RETENTION CREDIT

In response to the adverse economic impact of the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by congress and became law on March 27, 2020. The Employee Retention Credit (ERC) was a part of the CARES Act and for the period through December 31, 2020 provided for a refundable payroll tax credit for 50% of wages paid by employers to employees (up to \$10,000 per employee) upon meeting certain criteria. The ERC is available to employers whose operations were fully or partially suspended or whose gross receipts declined by more than 50% when compared to the same quarter in the prior year.

The Council determined that as a result of its operations being partially suspended due to various governmental orders it met the criteria to qualify for the ERC for the second, third, and fourth quarters of 2020. Accordingly, the Council submitted applications for the ERC totaling approximately \$108,000. This ERC is included in Governmental Agencies Revenue in the statement of activities for the year ended June 30, 2022. As of June 30, 2022, Council has not received these funds and is included in other receivables in the accompanying statement of financial position.