

FRIENDS OF THE CHILD ADVOCACY CENTER, INC.

FINANCIAL STATEMENTS

For the Years Ended June 30, 2020 and 2019



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Friends of the Child Advocacy Center, Inc.
Eugene, Oregon

We have audited the accompanying financial statements of Friends of the Child Advocacy Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the Child Advocacy Center, Inc., as of June 30, 2020, 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.

Prior Period Financial Statements

The financial statements of Friends of the Child Advocacy Center, Inc. as of June 30, 2019, were audited by other auditors whose report dated December 20, 2019, expressed an unmodified opinion on those statements.

A handwritten signature in cursive script that reads "Jones & Roth P.C.".

Jones & Roth, P.C.
Eugene, Oregon
December 17, 2020

FINANCIAL STATEMENTS

FRIENDS OF THE CHILD ADVOCACY CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,353,910	\$ 1,129,092
Grants and contracts receivable	246,003	274,682
Medical assessments receivable, net allowance for doubtful accounts of \$12,560 for 2020 and \$9,200 for 2019	190,557	115,000
Other receivable	58,415	-
Pledges receivable, net allowance of doubtful accounts of \$-0- for 2020 and \$1,906 for 2019	10,700	36,217
Prepaid expenses	24,967	31,324
Other current assets	<u>250</u>	<u>583</u>
Total current assets	<u>1,884,802</u>	<u>1,586,898</u>
Investments	<u>-</u>	<u>409,700</u>
Property and equipment		
Building construction in progress	-	1,767,691
Building	2,280,340	-
Land	770,262	-
Leasehold improvements	-	940
Furniture and equipment	68,659	144,427
Vehicle	<u>14,141</u>	<u>14,141</u>
	3,133,402	1,927,199
Accumulated depreciation	<u>(64,972)</u>	<u>(148,114)</u>
Property and equipment, net	<u>3,068,430</u>	<u>1,779,085</u>
Non-current assets		
Pledges receivable, net of current portion and allowance of doubtful accounts of \$1,438 for 2020 and \$1,036 for 2019	<u>17,823</u>	<u>19,680</u>
Total assets	<u>\$ 4,971,055</u>	<u>\$ 3,795,363</u>

	<u>2020</u>	<u>2019</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 43,431	\$ 32,914
Accrued payroll and related expenses	43,048	39,717
Accrued paid time off payable	41,471	26,093
Current portion of long-term debt	<u>36,365</u>	<u>12,660</u>
Total current liabilities	164,315	111,384
Long-term liabilities		
Long-term debt, net of current portion and unamortized deferred financing fees	<u>1,398,573</u>	<u>1,211,396</u>
Total liabilities	<u>1,562,888</u>	<u>1,322,780</u>
Net assets		
Without donor restrictions:		
Undesignated	1,765,402	1,893,557
Invested in property and equipment	<u>1,633,492</u>	<u>555,029</u>
Total net assets without donor restrictions	3,398,894	2,448,586
With donor restrictions	<u>9,273</u>	<u>23,997</u>
Total net assets	<u>3,408,167</u>	<u>2,472,583</u>
Total liabilities and net assets	<u>\$ 4,971,055</u>	<u>\$ 3,795,363</u>

The accompanying notes are an integral part of these statements.

FRIENDS OF THE CHILD ADVOCACY CENTER, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2020 and 2019

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Grants and contracts	\$ 976,924	\$ 1,635	\$ 978,559
Contributions	43,662	11,816	55,478
Fundraising event	265,815	-	265,815
Interest income	5,132	-	5,132
In-kind donations	71,307	-	71,307
Medical assessment revenue	1,022,233	-	1,022,233
Miscellaneous revenue	59,289	-	59,289
Net assets released from restrictions	28,175	(28,175)	-
Total revenues and support	2,472,537	(14,724)	2,457,813
Expenses			
Program services	1,239,109	-	1,239,109
Support services:			
General and administrative	195,910	-	195,910
Fundraising	87,210	-	87,210
Total support services	283,120	-	283,120
Total expenses	1,522,229	-	1,522,229
Change in net assets	950,308	(14,724)	935,584
Net assets, beginning of year	2,448,586	23,997	2,472,583
Net assets, end of year	\$ 3,398,894	\$ 9,273	\$ 3,408,167

2019		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 1,051,773	\$ -	\$ 1,051,773
50,383	-	50,383
317,330	30,390	347,720
15,025	-	15,025
30,385	-	30,385
862,205	-	862,205
4,012	-	4,012
<u>237,070</u>	<u>(237,070)</u>	<u>-</u>
<u>2,568,183</u>	<u>(206,680)</u>	<u>2,361,503</u>
<u>959,181</u>	<u>-</u>	<u>959,181</u>
218,307	-	218,307
<u>83,197</u>	<u>-</u>	<u>83,197</u>
<u>301,504</u>	<u>-</u>	<u>301,504</u>
<u>1,260,685</u>	<u>-</u>	<u>1,260,685</u>
1,307,498	(206,680)	1,100,818
<u>1,141,088</u>	<u>230,677</u>	<u>1,371,765</u>
<u>\$ 2,448,586</u>	<u>\$ 23,997</u>	<u>\$ 2,472,583</u>

The accompanying notes are an integral part of these statements.

FRIENDS OF THE CHILD ADVOCACY CENTER, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2020 and 2019

	2020			
	Program Services	Support Services		Total
		General and Administrative	Fundraising	
Functional expenses				
Personnel costs	\$ 740,902	\$ 158,641	\$ 44,292	\$ 943,835
Occupancy:				
In-kind facility lease	26,243	-	-	26,243
Rent	-	-	-	-
Interest expense	29,309	4,005	1,658	34,972
Building insurance	4,175	633	246	5,054
Utilities	8,732	1,117	479	10,328
Telecommunications	4,174	592	232	4,998
Maintenance and janitorial	16,680	2,041	946	19,667
Furnishings and equipment	109,941	9,983	6,480	126,404
Insurance	21,023	1,955	755	23,733
Training, travel, education, and support	33,048	42	325	33,415
Fundraising events	-	-	21,359	21,359
Program development	2,506	-	542	3,048
Meetings	463	77	14	554
Contracted labor	14,724	582	297	15,603
Dues and subscriptions	8,036	47	682	8,765
Technology and hardware	66,449	7,495	2,917	76,861
Financial services	7,335	2,812	469	10,616
Legal	6,649	627	-	7,276
Office supplies	9,789	1,383	4,915	16,087
Board of Directors	252	229	-	481
Advocacy	5,841	-	-	5,841
Contracted services	57,322	-	-	57,322
Medical assessment	13,597	-	-	13,597
Intervention	5,618	-	-	5,618
Support group supplies	23	-	-	23
Bad debt, net of recoveries	10,321	-	(1,438)	8,883
Loss on asset disposal	-	315	-	315
Depreciation	35,957	3,334	2,040	41,331
Total functional expenses	<u>\$ 1,239,109</u>	<u>\$ 195,910</u>	<u>\$ 87,210</u>	<u>\$ 1,522,229</u>

2019			
Program Services	Support Services		Total
	General and Administrative	Fundraising	
\$ 658,082	\$ 188,044	\$ 46,277	\$ 892,403
20,385	-	-	20,385
18,070	4,696	1,234	24,000
15,186	4,190	790	20,166
1,688	469	88	2,245
8,602	2,283	564	11,449
3,184	827	218	4,229
4,001	1,055	272	5,328
-	-	-	-
20,589	3,180	830	24,599
57,960	453	182	58,595
-	-	28,081	28,081
3,663	378	53	4,094
122	110	68	300
1,952	548	15	2,515
3,018	102	329	3,449
26,521	4,975	2,367	33,863
5,559	2,353	432	8,344
1,930	859	-	2,789
5,373	1,648	819	7,840
2,156	-	-	2,156
3,407	-	52	3,459
64,921	-	-	64,921
6,070	-	-	6,070
7,088	-	-	7,088
38	-	-	38
12,136	-	-	12,136
-	-	-	-
<u>7,480</u>	<u>2,137</u>	<u>526</u>	<u>10,143</u>
<u>\$ 959,181</u>	<u>\$ 218,307</u>	<u>\$ 83,197</u>	<u>\$ 1,260,685</u>

The accompanying notes are an integral part of these statements.

FRIENDS OF THE CHILD ADVOCACY CENTER, INC.
 STATEMENTS OF CASH FLOWS
 For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Collections from grants, contributions, programs, and services	\$ 2,379,894	\$ 2,267,694
Cash paid to vendors and employees	<u>(1,443,818)</u>	<u>(1,203,792)</u>
Net cash flows provided by operating activities	<u>936,076</u>	<u>1,063,902</u>
Cash flows from investing activities		
Proceeds from sale of investments	409,700	184,793
Purchase of fixed assets	(1,330,991)	(1,818,636)
Purchase of investments	<u>-</u>	<u>(409,543)</u>
Net cash flows used by investing activities	<u>(921,291)</u>	<u>(2,043,386)</u>
Cash flows from financing activities		
Proceeds from long term debt	225,000	1,275,000
Payments on long term debt	<u>(14,967)</u>	<u>-</u>
Net cash flows provided by financing activities	<u>210,033</u>	<u>1,275,000</u>
Net increase in cash and cash equivalents	224,818	295,516
Cash and cash equivalents, beginning of year	<u>1,129,092</u>	<u>833,576</u>
Cash and cash equivalents, end of year	<u>\$ 1,353,910</u>	<u>\$ 1,129,092</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 935,584	\$ 1,100,818
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization of deferred financing fees	42,180	10,143
Loss on disposition of assets	315	-
Unrealized gain on investments	-	(157)
(Increase) decrease in assets:		
Receivables	(77,919)	(63,424)
Prepaid expenses	6,357	6,660
Other current assets	333	(314)
Increase (decrease) in liabilities:		
Accounts payable	10,517	4,718
Accrued payroll and related expenses	3,331	9,256
Paid time off payable	<u>15,378</u>	<u>(3,798)</u>
Net cash flows provided by operating activities	<u>\$ 936,076</u>	<u>\$ 1,063,902</u>
Supplemental disclosure of cash flow information		
In-kind donations	<u>\$ 71,307</u>	<u>\$ 30,385</u>
Cash paid for interest, net of capitalized amount	<u>\$ 34,123</u>	<u>\$ 20,166</u>

The accompanying notes are an integral part of these statements.

FRIENDS OF THE CHILD ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization and Purpose

Friends of the Child Advocacy Center, Inc. dba Kids First Center (the Organization) was incorporated on June 30, 1994, as a non-profit corporation in the state of Oregon.

The Organization provides intervention and advocacy for children who are victims of, or witnesses to crime; and coordinates Lane County's multidisciplinary team response to child abuse. The Organization provides comprehensive assessments that include forensic interviews, forensic medical examinations, and victim advocacy/support for children and their non-offending caregivers. These services are provided at no cost to victims and families.

Funding for the Organization's activities is primarily provided by "Child Abuse Multidisciplinary Intervention" account grant funds from the state of Oregon, "Victims of Crime Act" grant funding from the Department of Justice, and medical assessment fees from health insurance payers.

Basis of Accounting

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 revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for the general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions - Net assets with donor restrictions consists of assets whose use is limited by donor-imposed, time and/or purpose restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of donor restrictions are reported as net assets released from restrictions.

Recent Accounting Standards Adopted

The Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities* (Topic 958) which clarifies accounting guidance about whether a transfer of assets is a contribution or exchange transaction. The standard effectively excludes contributions from the requirements of ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The Organization adopted the new standard effective July 1, 2019, using a modified prospective approach in these financial statements. No change to previously recognized revenue was required as a result of adopting ASU No. 2018-08. The Organization elected to delay implementation of ASU No. 2014-09 and related subsequently issued ASUs pursuant to ASU No. 2020-05 which delayed the implementation date for the Organization to July 1, 2020.

FRIENDS OF THE CHILD ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies, continued

Estimates

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

Income Tax Status

The Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, no provision for federal or state income taxes has been included in these financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization's federal exempt organization information returns are generally subject to examination by authorities for a period of three years after filing.

Cash and Cash Equivalents

For purposes of the financial statements, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Grants and Contracts Receivable

Grants and contracts receivable is comprised primarily of amounts due from various governmental agencies. Management periodically assesses the need for an allowance for doubtful accounts based on historical experience and existing conditions affecting probable collection. Management has determined that no allowance for doubtful accounts were necessary as of June 30, 2020 and 2019. No interest is charged on grants and contracts receivable and the receivables are unsecured.

Medical Assessments Receivable

Medical assessments receivable is comprised of amounts due from third party payors for services rendered by the Organization and are presented net of allowances for contractual adjustments and bad debts. Management records as receivable only those amounts billed to insurance companies for which there are established contracted billing rates, which indicates probable collection. The allowance is calculated based on a review of outstanding receivables, historical collection information, and existing economic conditions. It is reasonably possible that the Organization's estimate of the allowance for uncollectible medical assessments receivable will change. Management has determined that the allowance for doubtful accounts as of June 30, 2020 and 2019 was \$12,560 and \$9,200, respectively. A delinquent receivable is one on which a scheduled or expected payment did not occur. Delinquent receivables are written-off based on individual credit evaluation and specific circumstances of third-party payors. No interest is charged on medical assessments receivable and the receivables are unsecured.

FRIENDS OF THE CHILD ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies, continued

Investments

The Organization had no investments as of June 30, 2020. The Organization's investments at June 30, 2019 consisted of investments in government debt securities. FASB ASC 820-10 regarding fair value measurements clarifies the definition of fair value for financial reporting and establishes a three-tier framework for measuring fair value which requires the entity to give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement) when measuring fair value. Fair values for the Organization's investments at June 30, 2019 were determined by reference to quoted market prices for similar investments (Level 1 inputs).

Interest, dividends, and gains and losses, both realized and unrealized, on investments are included in the statements of activities in revenues, gains, and other support. Investment income that is related to funds that are classified as with donor restrictions are also considered to have the same classification restriction.

Property and Equipment

Property and equipment are capitalized at cost, or at fair market at date of donation if donated. Assets with a useful life greater than one year are capitalized if more than \$5,000 in value. Expenditures for maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts and resulting gains or losses are reflected in revenues and expenses. Depreciation is computed over the estimated useful lives of the property and equipment using the straight-line method, with estimated useful lives between five and forty years.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restriction. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies these net assets to without donor restriction at that time.

Compensated Absences

Paid time off (PTO) is accrued by regular employees with full time equivalent (FTE) status throughout the year. The rate of accrual is based on the employee's years of service, unless an alternate rate was agreed on during hiring negotiations in which case the rate of accrual would be identified in the employees signed offer letter. Employees may carry their unused portion forward until it is used as long as the total number of accrued hours remains below the cap of 220 hours for new employees. Once employees reach the maximum accrual, PTO accrual will cease until the current allocation is used and falls below 220 hours. If an employee terminates employment and provides a minimum of two weeks' written notice, all earned and unused PTO leave will be paid to the employee up to the maximum 220 allowable limit. In all other cases, accrued but unused PTO will be forfeited. PTO is paid at the employee's hourly rate at the time the PTO benefit is used or cashed out, no matter what the rate was when the benefit was earned. Annual PTO accruals are recorded as an accrued liability at the Organization's fiscal year end.

FRIENDS OF THE CHILD ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies, continued

Revenue Recognition

Revenue is recognized when earned. Grant and contract revenue and contributions are considered to be available for unrestricted use unless specifically restricted by the donor or the terms of a grant. Cost reimbursement government grants are recognized as revenue in the period the qualifying allowable expenditures are incurred or as otherwise stipulated in the underlying agreement. Contribution revenue is recognized at the time an unconditional promise to give or transfer of assets is made. Contributions received with restrictions that are met in the same reporting period and conditional contributions for which the conditions and restrictions are met in the same period are reported as support increasing net assets without donor restrictions. Revenues from medical assessment services is recognized at the time the service is provided and is reported at the estimated net realizable amounts from third party payors for services rendered. Medical assessment revenue is considered without donor restriction. Amounts collected in advance but unearned, if any, are reflected in the statements of financial position as deferred revenue.

Donated Services, Materials and Occupancy

Donated materials are recorded at their estimated fair values at the date of donation. Donated services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The estimated donated value of building occupancy, in excess of the amount billed for such, is recorded at the estimated fair value at donation. For the years ended June 30, 2020 and 2019, the amount recognized for in-kind rent was \$26,243 and \$20,385, respectively. Other donated goods and services meeting the recognition policy for the years ended June 30, 2020 and 2019, totaled \$45,064 and \$10,000, respectively.

Functional Expense Allocations

The Organization allocates expenses on a functional basis among its various programs and supporting services. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that can be identified with specific program or supporting service are reported accordingly. Expenses that are common to several functions are allocated equitably by the ratio of personnel costs by program and service areas.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. Such reclassification had no effect on previously reported net assets or change in net assets.

FRIENDS OF THE CHILD ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

2. Liquidity and Availability of Resources

The Organization has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At June 30, 2020 and 2019, the Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2020	2019
Cash and cash equivalents	\$ 1,353,910	\$ 1,129,092
Grants and contracts receivable	246,003	274,682
Medical assessments receivable, net	190,557	115,000
Other receivable	58,415	-
Pledges receivable, net, current portion	10,700	36,217
	1,859,585	1,554,991
Less those unavailable for general expenditure within one year due to:		
Purpose or time restrictions	(9,273)	(23,997)
Financial assets available for general expenditure within one year	\$ 1,850,312	\$ 1,530,994

3. Financial Instruments and Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and receivables. The Organization places its cash and cash equivalents with financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. In 2020 and 2019, bank balances exceeded FDIC insurance limits at various times during the year. At June 30, 2020 and 2019, cash balances held in excess of federally insured limits were \$1,083,291 and \$465,722, respectively.

Approximately 92 percent and 81 percent of the gross grants and contracts receivable as of June 30, 2020 and 2019, respectively, were due from three agencies.

Approximately 92 percent and 97 percent of the gross medical assessments receivable as of June 30, 2020 and 2019, respectively, were due from two payors and one payor, respectively.

4. Pledges

The Organization began a capital campaign to raise funds to cover the cost of the capital project (purchase and renovation). Donors who wished to contribute to the campaign over varied lengths of time made conditional promises to give to the Organization to help fund the capital project.

The total pledges outstanding at June 30, 2020, less the allowance for doubtful accounts of \$1,438 totaled \$28,523 and are expected to be collected as follows:

June 30, 2021	\$ 10,700
June 30, 2022 - 2025	\$ 17,823

FRIENDS OF THE CHILD ADVOCACY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

5. Long-term Debt

The Organization purchased a building and property for a new facility on February 5, 2019. The interest expense for the year ended June 30, 2020 and 2019 was \$34,973 and \$20,166, respectively. The note is payable to Columbia State Bank and was issued in conjunction with the Oregon Facilities Authority SNAP Loan Program, for a tax-exempt rate of 3.90 percent with a maturity date of February 1, 2045. However, the lender has the option to call the loan at either February 1, 2030 or February 1, 2040. The loan is collateralized by the property. Interest only payments are allowed until March 1, 2020 at which time monthly payments of principal and interest in the amount of \$7,835 began. The loan agreement includes various negative and affirmative loan covenants all of which management believes the Organization was in compliance for the years ended June 30, 2020 and 2019. Total interest on the note for the year ended June 30, 2020 was \$56,105 of which \$21,133 was capitalized as a cost of construction and \$34,973 was expensed. Total interest on the note for the year ended June 30, 2019 was \$20,166, all of which was expensed. At June 30, long-term debt consisted of the following:

	2020	2019
Loan balance at June 30,	\$ 1,485,033	\$ 1,275,000
Current portion	(36,365)	(12,660)
Unamortized deferred financing fees	(50,095)	(50,944)
Long-term debt, net current portion and unamortized deferred financing fees	\$ 1,398,573	\$ 1,211,396

Long-term debt maturities for the next five years are as follows:

For the Year Ended June 30,	
2021	\$ 36,365
2022	37,829
2023	39,352
2024	40,789
2025	42,579
Thereafter	1,288,119
Total	\$ 1,485,033

The organization entered into a line of credit agreement with Columbia State Bank in March 2020. The agreement allows for borrowing up to \$250,000. Interest is payable based on a variable rate index and is subject to minimum and maximum rate limitations (effect rate of 4.75 percent at June 30, 2020). Collateral is provided by equipment, chattel paper, and accounts receivable. There was no balance outstanding on the line of credit as of June 30, 2020. The line of credit matures March 30, 2021.

6. Retirement Plans

The Organization operates a Simple IRA plan for its employees wherein the Organization matches the employee's contribution to his or her Simple IRA up to 3 percent of salary. The Organization contributed \$21,041 and \$20,478 on behalf of its employees for the years ended June 30, 2020 and 2019, respectively.

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7. Concentrations

The Organization received a significant portion of its revenue from three government grants. These three grants comprised approximately 89 percent and 86 percent of total grant and contract revenue for the years ended June 30, 2020 and 2019, respectively.

8. Economic Uncertainties

As a result of the COVID-19 coronavirus pandemic, for the year ended June 30, 2020, the Organization was required to partially suspend operations for a period of time and operate at a reduced capacity once operations resumed. Additionally, the Organization was required to move one of its major fundraising events to a virtual format. The Organization's management does not anticipate future adverse impacts due to the ongoing COVID-19 coronavirus pandemic. However, as of the date of the independent auditor's report, there still exists certain economic uncertainties related to the COVID-19 coronavirus pandemic.

9. Subsequent Events

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.