

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Bivona Child Advocacy Center and Affiliates
Rochester, New York

We have audited the accompanying consolidated financial statements of Bivona Child Advocacy Center and Affiliates (a New York nonprofit organization, a corporation, and a limited liability company), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the related consolidated statements of cash flows for the years then ended, and the consolidated statements of activities and functional expenses for the year ended December 31, 2020, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

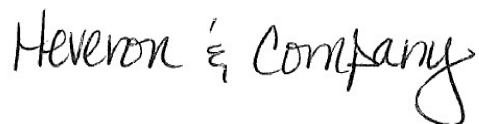
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bivona Child Advocacy Center and Affiliates as of December 31, 2020 and 2019, and its cash flows for the years then ended, and the changes in net assets and functional expenses for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Bivona Child Advocacy Center and Affiliates's consolidated statements of activities and functional expenses for the year ended December 31, 2019, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 10, 2020. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2019, is consistent in all material respects with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheets and statements of activities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Heveron & Company
Certified Public Accountants

Rochester, New York
June 16, 2021

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATED BALANCE SHEETS
December 31, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 2,080,243	\$ 1,697,806
Accounts and Grants Receivable	369,976	356,857
Pledges Receivable, Current Portion Net of Allowance of \$57,350 as of December 31, 2019	76,077	128,149
Prepaid Expenses	<u>32,586</u>	<u>65,656</u>
 Total Current Assets	 <u>2,558,882</u>	 <u>2,248,468</u>
 <u>Property and Equipment</u>		
Land, Building and Improvements	5,473,190	5,473,190
Furniture and Fixtures	49,734	44,206
Website Development	18,200	18,200
Computer Equipment and Software	64,310	64,310
Less: Accumulated Depreciation and Amortization	<u>(868,963)</u>	<u>(700,213)</u>
 Net Property and Equipment	 <u>4,736,471</u>	 <u>4,899,693</u>
 <u>Other Assets</u>		
Investments	1,837,008	1,622,927
Reserve Fund for Replacements	21,090	21,087
Pledges Receivable, Long Term Portion	<u>58,350</u>	<u>68,900</u>
 Total Other Assets	 <u>1,916,448</u>	 <u>1,712,914</u>
 TOTAL ASSETS	 <u>\$ 9,211,801</u>	 <u>\$ 8,861,075</u>

LIABILITIES AND NET ASSETS / CAPITAL

	<u>2020</u>	<u>2019</u>
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 15,354	\$ 77,553
Accrued Payroll and Benefits	109,086	68,010
Refundable Advances	<u>2,500</u>	<u>65,625</u>
 Total Current Liabilities	 <u>126,940</u>	 <u>211,188</u>
 <u>Net Assets/Capital</u>		
Net Assets Without Donor Restrictions:		
Undesignated	3,176,593	2,817,342
Board Designated	<u>1,837,008</u>	<u>1,621,255</u>
Total Net Assets Without Donor Restrictions	<u>5,013,601</u>	<u>4,438,597</u>
Net Assets With Donor Restrictions:		
Purpose Restrictions	280,933	366,620
Time Restrictions	<u>130,300</u>	<u>123,300</u>
Total Net Assets With Donor Restrictions	<u>411,233</u>	<u>489,920</u>
Noncontrolling Interest in Members' Capital	<u>910,013</u>	<u>970,743</u>
Members' Capital	<u>2,750,014</u>	<u>2,750,627</u>
 Total Net Assets/Capital	 <u>9,084,861</u>	 <u>8,649,887</u>
 TOTAL LIABILITIES AND NET ASSETS/CAPITAL	 <u>\$ 9,211,801</u>	 <u>\$ 8,861,075</u>

See Independent Auditors' Report and Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
For The Year Ended December 31, 2020
(With Comparative Totals For The Year Ended December 31, 2019)

	Without Donor	With Donor	<u>Total</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2020</u>	<u>2019</u>
<u>Support and Revenue</u>				
Contributions	\$ 536,370	\$ 90,522	\$ 626,892	\$ 808,912
Foundations	294,497	105,000	399,497	156,235
Grants	760,299	-	760,299	654,335
Partner Agency Fees	190,754	-	190,754	176,347
Special Events	667,267	-	667,267	602,692
Less: Direct Expenses	(142,211)	-	(142,211)	(95,581)
Summit	50,831	-	50,831	329,722
Less: Direct Expenses	-	-	-	(221,191)
Other Income	4,324	-	4,324	5,022
Net Assets Released from				
Restrictions	<u>274,209</u>	<u>(274,209)</u>	<u>-</u>	<u>-</u>
 Total Support and Revenue	 <u>2,636,340</u>	 <u>(78,687)</u>	 <u>2,557,653</u>	 <u>2,416,493</u>
 <u>Expenses</u>				
Program Services	1,838,387	-	1,838,387	1,724,272
Supporting Services:				
Management and General	225,241	-	225,241	236,075
Fundraising Expenses	<u>266,691</u>	<u>-</u>	<u>266,691</u>	<u>178,304</u>
 Total Expenses	 <u>2,330,319</u>	 <u>-</u>	 <u>2,330,319</u>	 <u>2,138,651</u>

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
For The Year Ended December 31, 2020
(With Comparative Totals For The Year Ended December 31, 2019)
(Continued)

	Without Donor	With Donor	<u>Total</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2020</u>	<u>2019</u>
<u>Other Income and Expenses</u>				
Investment Income	37,320	-	37,320	34,273
Net Investment Return	<u>183,393</u>	<u>-</u>	<u>183,393</u>	<u>261,916</u>
 Total Other Income and Expenses	 <u>220,713</u>	 <u>-</u>	 <u>220,713</u>	 <u>296,189</u>
 Change in Net Assets	 526,734	 (78,687)	 448,047	 574,031
Net Assets/Capital - Beginning of Year	8,159,967	489,920	8,649,887	8,088,929
Priority Return	<u>(13,073)</u>	<u>-</u>	<u>(13,073)</u>	<u>(13,073)</u>
Net Assets/Capital - End of Year	<u>\$ 8,673,628</u>	<u>\$ 411,233</u>	<u>\$ 9,084,861</u>	<u>\$ 8,649,887</u>

See Independent Auditors' Report and Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2020
(With Comparative Totals For The Year Ended December 31, 2019)

	<u>Supporting Services</u>			<u>Totals</u>	
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>2020</u>	<u>2019</u>
Salaries	\$ 1,042,942	\$ 90,820	\$ 152,346	\$ 1,286,108	\$ 1,143,165
Payroll Taxes	83,241	7,249	12,159	102,649	84,710
Employee Benefits	<u>158,938</u>	<u>13,840</u>	<u>23,217</u>	<u>195,995</u>	<u>162,292</u>
Total Personnel Costs	1,285,121	111,909	187,722	1,584,752	1,390,167
Other Occupancy	216,934	7,304	12,233	236,471	211,618
Depreciation/Amortization	153,482	5,707	9,561	168,750	160,215
Professional Fees	101,426	14,107	29,843	145,376	225,808
Event Expenses	-	-	142,211	142,211	253,928
Bad Debt Expense	-	80,090	-	80,090	47,544
Office Expenses and Supplies	46,648	2,230	7,251	56,129	70,993
Other Expenses	20,771	2,427	14,910	38,108	42,226
Training, Travel and Meetings	13,556	1,466	1,530	16,552	37,546
Marketing Expense	<u>450</u>	<u>-</u>	<u>3,641</u>	<u>4,091</u>	<u>15,378</u>
Total Expenses	1,838,388	225,240	408,902	2,472,530	2,455,423
Less Expenses Included with Support and Revenue on the Statement of Activities	<u>-</u>	<u>-</u>	<u>(142,211)</u>	<u>(142,211)</u>	<u>(316,772)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 1,838,388</u>	<u>\$ 225,240</u>	<u>\$ 266,691</u>	<u>\$ 2,330,319</u>	<u>\$ 2,138,651</u>

See Independent Auditors' Report and Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2020 and 2019

	2020	2019
<u>Cash Flow From Operating Activities</u>		
Change in Net Assets	\$ 448,047	\$ 574,031
Noncash Expenses and Losses:		
Depreciation/Amortization	168,750	160,215
Forgiveness of Loan Payable	(244,200)	-
Bad Debt Expense	80,090	47,544
Net Unrealized/Realized Gain on Investments	(183,393)	(261,916)
Donation of Stock	(20,361)	-
Decrease/(Increase) In:		
Accounts and Grants Receivable	(13,119)	(75,946)
Pledges Receivable	(17,468)	(89,865)
Prepaid Expenses	33,070	(7,784)
Increase/(Decrease) In:		
Accounts Payable and Accrued Expenses	(62,199)	43,952
Accrued Payroll and Benefits	41,076	13,711
Refundable Advances	(63,125)	(22,305)
Net Cash Flow Provided By Operating Activities	167,168	381,637
<u>Cash Flow From Investing Activities</u>		
Purchase of Property and Equipment	(5,528)	(115,821)
Proceeds from Investments	22,039	25,125
Purchase of Investments	(32,366)	(36,116)
Net Cash Flow Used By Investing Activities	(15,855)	(126,812)
<u>Cash Flow From Financing Activities</u>		
Proceeds from Loan Payable	244,200	-
Priority Return to Noncontrolling Interest	(13,073)	(13,073)
Net Cash Flow Provided/(Used) By Financing Activities	231,127	(13,073)
Net Increase in Cash, Cash Equivalents and Restricted Cash	382,440	241,752
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	1,718,893	1,477,141
Cash, Cash Equivalents and Restricted Cash - End of Year	\$ 2,101,333	\$ 1,718,893

See Independent Auditors' Report and Notes to Financial Statements.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The consolidated financial statements include the accounts of Bivona Child Advocacy Center (Bivona), Bivona Corporation (the Corporation), and One Mt. Hope LLC (OMH).

Bivona is a nonprofit organization that offers a safe, welcoming place where children who have been sexually or physically abused can begin their journey of healing. Bivona facilitates a multidisciplinary team of professionals that includes 23 partner agencies and provides the physical space where cases of child sexual and severe physical abuse, whenever possible and practical are investigated, evaluated, and treated. In 2020 alone, Bivona evaluated nearly 2,000 children. Bivona also leads the Monroe County Child Fatality Review Team, which evaluates all sudden, unexplained or unexpected child fatalities. Additionally, Bivona is dedicated to increasing community awareness about child abuse through its hosting of the Bivona Child Abuse Summit conference with over 1,100 area professionals in attendance in 2019. Bivona also addresses prevention of child abuse by providing community-based education and outreach programs. In 2018, Bivona began offering a prevention education curriculum in public schools. At the start of the 2019/2020 school year, Bivona expanded their reach into two school districts, Spencerport and Pittsford, providing hundreds of children with age appropriate safety information. Bivona continues to add staff positions to ensure that families are receiving necessary support services to help them navigate the process of justice and healing. During 2020, the mental health department was able to shift service delivery to Telehealth Services. Additionally, Bivona expanded our partnerships with local mental health providers who specialize in providing mental health therapy to children who have experienced trauma. Bivona obtains its support directly and indirectly from individuals, organizations, and government agencies in the community.

The Corporation was organized under the laws of the State of New York on June 26, 2014 to facilitate historic credits on a building that OMH owns. The Corporation is wholly owned by Bivona.

OMH, a New York Limited Liability Company, was organized under the laws of the State of New York on June 26, 2014 for the purpose of restoring a historic building and operating a commercial rental project located in Rochester, New York. Operations commenced in July 2015. OMH is 99% owned by an Investor Member (KeyBank, NA) and 1% owned by the Corporation.

Bivona, the Corporation, and OMH, (collectively, the Organization) share common management and control. Bivona is housed in the building owned by OMH.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

(Continued)

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

Principles of Consolidation

The aforementioned entities are consolidated in these financial statements as they operate under common management and control. The profits, losses, and tax credits of OMH are allocated 1% to the Managing Member (the Corporation) and 99% to the Investor Member (KeyBank, NA). All significant intercompany transactions have been eliminated.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Net Assets

In accordance with accounting principles generally accepted in the United States of America, the Organization reports information regarding its financial position and activities according to the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board-designated endowments.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, based on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

(Continued)

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

Contributions

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributions that are expected to be received in future years are recorded at their present value. 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.

Revenue Recognition

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as unearned revenue on the balance sheet.

Special event revenue is recognized as the event occurs. Amounts received prior to the date of the event are reported as refundable advances.

Rental income is recognized monthly over the lease term. Rental payments are due from tenants at the beginning of each month and prepayments of rental income are recorded as liabilities until earned. All leases between the OMH and the tenants of the property are operating leases.

In 2019, the Organization analyzed the provisions of ASU 2014-09, *Revenue from Contracts with Customers*, and has determined that no significant changes in the way the Organization recognizes revenue are necessary, however, the presentation and disclosures of revenue has been enhanced.

Income Taxes

The Internal Revenue Service has determined that Bivona is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code, and has also determined that Bivona is publicly supported. The Corporation is subject to federal and state income taxes. No income tax expense or benefit has been included in these financial statements for OMH, as a Limited Liability Company, since taxable income and losses are allocated to the members for inclusion in their respective tax returns.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020
(Continued)

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

Accounts and Grants Receivable

Accounts and grants receivable are stated at the amount management expects to collect. Amounts that management believes to be uncollectible after collection efforts have been completed are written off. In addition, management evaluates the need for, and if appropriate, provides an allowance to reduce receivables to amounts management expects will be collected. Management determined that no allowances were necessary at December 31, 2020 and 2019.

Cash, Cash Equivalents and Restricted Cash

For the purposes of the statements of cash flows, cash, cash equivalents and restricted cash include all cash on hand and in banks, which, at times, may exceed federally insured limits. The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk with respect to cash, cash equivalents and restricted cash.

Cash, cash equivalents and restricted cash consisted of the following at December 31:

	2020	2019
Checking	\$2,072,507	\$ 400,960
Savings	7,736	1,296,846
Subtotal - Cash and Cash Equivalents	2,080,243	1,697,806
Reserve Fund for Replacements	21,090	21,087
Total Cash, Cash Equivalents, and Restricted Cash	<u>\$2,101,333</u>	<u>\$1,718,893</u>

Property and Equipment

Property and equipment is stated at cost. The Organization capitalizes property and equipment with a cost of over \$2,500 (Bivona) and \$5,000 (OMH) and estimated life of three years or more, while expenditures for repairs, maintenance, and renewal of a relatively minor nature are expensed.

	<u>Years</u>
Building and Improvements	15-39
Furniture and Fixtures	5-15
Computer Equipment and Software	3-5

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020
(Continued)

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

Property and Equipment (continued)

Depreciation expense amounted to \$162,216 and \$153,681 for the years ended December 31, 2020 and 2019, respectively.

Amortization

Website development and software costs are amortized on the straight-line method over three years. Amortization expense amounted to \$6,534 for the years ended December 31, 2020 and 2019.

Functional Expenses

The costs of providing the various program services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program, management and general, and fundraising categories.

Expenses are allocated among program and supporting services on the following basis:

- (a) Personnel, training, travel, meeting, and other expenses are allocated on the basis of time and effort.
- (b) Building and occupancy costs, office expenses and depreciation/amortization are allocated on the basis of space and staff usage.
- (c) Professional fees, event expenses, and marketing are based on actual costs.

Determining Fair Value of Financial Assets and Liabilities

Accounting principles generally accepted in the United States of America established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation method are unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Inputs to the valuation method include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020
(Continued)

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

Determining Fair Value of Financial Assets and Liabilities (continued)

Level 3: Inputs to the valuation method are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Use of Estimates in the Preparation of Financial Statements

Accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could vary from those estimates.

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. This guidance implements a single framework for recognition of all revenue earned with customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, timing, and uncertainty of revenues and cash flows arising from contracts with customers. The guidance was effective for the Organization's year ended 2019.

During 2019, the Organization adopted ASU No. 2014-09 along with the practical expedient, which allows modifications to contracts to be applied at the time of adoption. The Organization receives revenue from several sources, and recognizes revenue based on when performance obligations are met.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020
(Continued)

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

Recent Accounting Pronouncements (Continued)

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional or unconditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The change in accounting principle was adopted on a modified prospective basis in 2019. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of January 1, 2019.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This accounting standard provides a better presentation of cash flows to the users of its financial statements. Before the change, restricted cash and restricted cash equivalents were not included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts reported on the statement of cash flows. The Organization applied the change on a retrospective basis beginning in 2019.

Reclassifications

Certain account balances as of December 31, 2019 have been reclassified to conform with the presentation as of December 31, 2020. The reclassifications had no impact on previously reported net assets.

Risks and Uncertainties

The Organization is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy or other conditions in the geographical area where the property is located.

Marketing

Marketing costs are expensed as incurred.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

(Continued)

NOTE 2 - LIQUIDITY AND AVAILABILITY

At December 31, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures, such as operating expenses and scheduled principal payments on debt:

	2020	2019
Cash and Cash Equivalents	\$ 2,080,243	\$ 1,697,806
Accounts and Grants Receivable	369,976	356,857
Pledges receivable, Net	76,077	128,149
Investments	1,837,008	1,622,927
Donor-imposed restrictions:		
Purpose Restrictions	(280,933)	(366,620)
Time Restrictions	(130,300)	(123,300)
Internal designations:		
Board Designation	(1,837,008)	(1,621,255)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,115,063	\$ 1,694,564

As part of the Organization's liquidity management policy, the financial assets are structured to be available as general expenditures and liabilities come due. This includes investing cash in excess of daily requirements in short term investments and the board of directors establishing various reserves. In addition, OMH has reserves established as part of its operating agreement. The Organization also has an available line of credit in the amount of \$250,000, should it have the need for additional immediate financial assets.

NOTE 3 - LINE OF CREDIT

Bivona has a line of credit with a maximum authorization of \$250,000. Advances against the line bears interest at 1% above the current bank prime rate (which was 3.25% at December 31, 2020). There was no amount outstanding at December 31, 2020 and 2019.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 4 - DONATED SERVICES AND GOODS

Bivona receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America. During 2020 and 2019, approximately 160 and 245 active volunteers provided 2,480 and 4,760 hours of service, respectively. These consisted mostly of board service and special event, office, and clerical assistance.

NOTE 5 - RESERVE FUND FOR REPLACEMENTS

Pursuant to its operating agreement, OMH is required to maintain a reserve fund for replacements; withdrawals from these accounts may only be made with the prior approval of the Investing Member. OMH is required to make an annual contribution of \$4,216 to this fund.

NOTE 6 - RETIREMENT PLAN

Bivona adopted a Simple IRA retirement plan during 2009. Employees who received \$5,000 in total compensation from Bivona are eligible to participate. The plan allows employees to make contributions and also provides for employer contributions. Bivona matches employee contributions up to 3% of their gross wages. Employer contributions of \$33,713 and \$27,668 were made during the years ended December 31, 2020 and 2019, respectively.

Bivona adopted an additional retirement plan under IRS section 457(b) during 2015. This is a non-qualified plan covering certain eligible participants. The plan allows participants to make contributions, while the employer is able to make discretionary contributions to the plan. No contributions were made for the years ended December 31, 2020 and 2019.

NOTE 7 - OMH PROFITS AND LOSSES AND DISTRIBUTIONS

The ordinary income, losses, and tax credits of OMH are allocated 1% to the Managing Member (Corporation) and 99% to the Investor Member. Distributions of excess cash flow are required annually and paid out according to the ordering rules stated in the operating agreement.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

(Continued)

NOTE 8 - INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair market value. Unrealized gains or losses on securities result from differences between the cost and fair market value of securities on a specified valuation date.

Investment securities are exposed to various risks, such as interest rate, market, economic conditions, world affairs and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the accompanying financial statements.

Investments are held in investment funds managed by professional investment advisors. A summary of investments at market value at December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Money Market Fund	\$ 4,102	\$ 5,756
Bond Investments	570,440	527,482
Equity Investments	<u>1,262,466</u>	<u>1,089,689</u>
Total Investments	<u>\$ 1,837,008</u>	<u>\$ 1,622,927</u>

There were no changes in the valuation techniques during the year.

All of the investments are based on level 1 inputs in the hierarchy as described in Note 1.

NOTE 9 - FORGIVENESS OF LOAN PAYABLE

In April 2020, the Organization applied for and was approved for a \$244,200 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The Small Business Administration forgave the loan in its entirety in November 2020.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 10 - PLEDGES RECEIVABLE

During 2019, Bivona initiated the Circle of Hope campaign. Pledges receivable represent amounts due Bivona under the terms of unconditional promises to give.

Scheduled payments on all outstanding pledges receivable are as follows for the year ending December 31:

<u>Year</u>	<u>Amount</u>
2021	\$ 76,077
2022	57,350
2023	<u>1,000</u>
Total	134,427
Less: Current Portion	<u>(76,077)</u>
Long Term Portion	<u><u>\$ 58,350</u></u>

NOTE 11 - NET ASSETS

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

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Mental Health Director	\$ 260,000	\$ 340,000
Other Programs and Program Support	20,933	26,620
Subject to the passage of time:		
Time Restriction	<u>130,300</u>	<u>123,300</u>
Total	<u><u>\$ 411,233</u></u>	<u><u>\$ 489,920</u></u>

Net assets without donor restrictions are designated as follows:

	<u>2020</u>	<u>2019</u>
General Purpose	<u>\$3,176,593</u>	<u>\$2,817,342</u>
Board Designated:		
Board Designated Endowment Fund	822,715	725,236
Mary Whittier's Sustainability Fund	232,081	204,557
Capital Reserve Fund	<u>782,212</u>	<u>691,462</u>
Total Board Designated	<u>1,837,008</u>	<u>1,621,255</u>
Total	<u><u>\$5,013,601</u></u>	<u><u>\$4,438,597</u></u>

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 12 - TRANSACTIONS WITH RELATED PARTIES

Asset Management Fee

OMH is required to pay KeyBank, NA., the Investor Member, an annual asset management fee of \$5,000 in accordance with the operating agreement.

Guarantees

The OMH Operating Agreement provides for various obligations of the Corporation, including their obligation to provide funds for any development, operating deficits, and permanent financing shortfalls.

The following transactions have been eliminated in the consolidated financial statements as of December 31:

Property Management

Services in connection with the management of the property were provided to OMH by Bivona. The property management fee is equal to 5% of gross income of the building owned by OMH. The contract commenced July 14, 2015 and automatically renews every year unless written notice is given not less than 30 days after commencement of the renewal period.

The property management fee expense was \$16,196 and \$14,460 for the years ended December 31, 2020 and 2019, respectively, and was eliminated in the consolidated financial statements.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 12 - TRANSACTIONS WITH RELATED PARTIES (Continued)

	<u>2020</u>	<u>2019</u>
<u>Notes Payable</u>		
OMH has a non-recourse note payable to Bivona in the amount of \$1,000,000. The note shall accrue interest at a rate of 2.5%, compounded annually. Monthly payments of principal and interest shall be due and payable from, and to the extent of Net Cash Flow available. Final payment of principal and accrued interest is due in August 2045. The note is secured by the building.	\$ 805,208	\$ 877,531
 The Corporation has a demand note payable to Bivona in the amount of \$2,511,358. The demand note is interest free and is due within ten days of written demand from Bivona.	 2,511,358	 2,511,358
 OMH has a non-recourse note payable to Bivona in the amount of \$375,000. The note bears interest at a rate of LIBOR + 2.5%. Monthly payments of principal and interest shall be due and payable from and to the extent of Net Cash Flow available. Final payment of principal and accrued interest is due in August 2045. An additional \$33,331 was loaned in 2017 with the same terms and maturity date.	 <u>408,331</u>	 <u>408,331</u>
Total Notes Payable	<u>3,724,897</u>	<u>3,797,220</u>
Less: Current Portion	<u>81,773</u>	<u>72,323</u>
Long-Term Portion	<u>\$ 3,643,124</u>	<u>\$ 3,724,897</u>

Rent

OMH rents the building it owns to Bivona under the terms of a lease agreement at a monthly rate of \$9,460 through October 2019. In November 2019, the lease was amended for additional space and the monthly rate increased to \$11,089. The lease is automatically extended for successive terms of one year each. Rental income and expenses totaled \$133,069 and \$122,192 for the years ended December 31, 2020 and 2019, and was eliminated in the consolidated financial statements.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 12 - TRANSACTIONS WITH RELATED PARTIES (Continued)

Accounts Payable

OMH owes Bivona \$163,619 and \$145,898 at December 31, 2020 and 2019, respectively. These accruals resulted from expenses incurred by OMH for operating expenses and improvements to the building and were eliminated in the consolidated financial statements.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 16, 2021, which is the date the statements were available for issuance.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties continue to have a negative impact on contributions, grants, net special event income, and net investment returns. There continues to be considerable uncertainty around the duration. Therefore, the related financial impact and duration cannot be reasonably estimated at this time.

The Organization applied for and was approved a \$234,000 loan under the second round of the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization may be eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

On January 29, 2021, an Investor Member Interest Purchase Agreement was executed. This agreement states Bivona Corporation (the managing member of OMH) has purchased the interest of KeyBank N.A. (the investor member) for the price of \$79,096. Bivona Corporation owns all of the interest in One Mount Hope, LLC as of this date. Bivona is the sole owner of the Corporation, as stated in Note 1. All assets and liabilities will be transferred and assumed by Bivona.

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATING BALANCE SHEETS

December 31, 2020

ASSETS	<u>Bivona</u>	<u>Bivona</u> <u>Corporation</u>	<u>One</u> <u>Mt. Hope</u>	<u>Eliminations</u>	<u>Consolidated</u>
<u>Current Assets</u>					
Cash and Cash Equivalents	\$ 1,712,343	\$ -	\$ 367,900	\$ -	\$ 2,080,243
Accounts and Grants Receivable	593,139	-	1,871	(225,034)	369,976
Pledges Receivable, Current Portion	76,077	-	-	-	76,077
Prepaid Expenses	28,194	-	4,392	-	32,586
Note Receivable, Current Portion	<u>2,593,131</u>	<u>-</u>	<u>-</u>	<u>(2,593,131)</u>	<u>-</u>
Total Current Assets	<u>5,002,884</u>	<u>-</u>	<u>374,163</u>	<u>(2,818,165)</u>	<u>2,558,882</u>
<u>Property and Equipment</u>					
Land, Building and Improvements	-	-	5,473,190	-	5,473,190
Furniture and Fixtures	49,734	-	-	-	49,734
Website Development	18,200	-	-	-	18,200
Computer Equipment and Software	64,310	-	-	-	64,310
Less: Accumulated Depreciation and Amortization	<u>(100,481)</u>	<u>-</u>	<u>(768,482)</u>	<u>-</u>	<u>(868,963)</u>
Net Property and Equipment	<u>31,763</u>	<u>-</u>	<u>4,704,708</u>	<u>-</u>	<u>4,736,471</u>

**BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATING BALANCE SHEETS**

December 31, 2020

(Continued)

ASSETS (Continued)	<u>Bivona</u>	<u>Bivona Corporation</u>	<u>One Mt. Hope</u>	<u>Eliminations</u>	<u>Consolidated</u>
<u>Other Assets</u>					
Investments	1,837,008	-	-	-	1,837,008
Reserve Fund for Replacements	-	-	21,090	-	21,090
Investment in Subsidiary	242,258	-	-	(242,258)	-
Investment in Partnership	-	2,753,616	-	(2,753,616)	-
Pledges Receivable, Long-Term Portion	58,350	-	-	-	58,350
Note Receivable, Long-Term Portion	<u>1,131,766</u>	<u>-</u>	<u>-</u>	<u>(1,131,766)</u>	<u>-</u>
Total Other Assets	<u>3,269,382</u>	<u>2,753,616</u>	<u>21,090</u>	<u>(4,127,640)</u>	<u>1,916,448</u>
TOTAL ASSETS	<u>\$ 8,304,029</u>	<u>\$ 2,753,616</u>	<u>\$ 5,099,961</u>	<u>\$(6,945,805)</u>	<u>\$ 9,211,801</u>
LIABILITIES AND NET ASSETS/CAPITAL					
<u>Current Liabilities</u>					
Accounts Payable	\$ 13,787	\$ -	\$ 164,980	\$ (163,619)	\$ 15,148
Accrued Expenses	206	-	-	-	206
Accrued Payroll and Benefits	109,086	-	-	-	109,086
Refundable Advances	2,500	-	-	-	2,500
Accrued Interest Payable	-	-	32,516	(32,516)	-
Notes Payable, Current Portion	<u>-</u>	<u>2,511,358</u>	<u>81,773</u>	<u>(2,593,131)</u>	<u>-</u>
Total Current Liabilities	<u>125,579</u>	<u>2,511,358</u>	<u>279,269</u>	<u>(2,789,266)</u>	<u>126,940</u>

**BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATING BALANCE SHEETS**

December 31, 2020

(Continued)

LIABILITIES AND NET ASSETS / CAPITAL		Bivona	One		
(Continued)	<u>Bivona</u>	<u>Corporation</u>	<u>Mt. Hope</u>	<u>Eliminations</u>	<u>Consolidated</u>
<u>Other Liabilities</u>					
Notes Payable, Long-Term Portion	-	-	1,131,766	(1,131,766)	-
Accrued Interest Payable	-	-	28,899	(28,899)	-
Total Other Liabilities	-	-	1,160,665	(1,160,665)	-
Total Liabilities	<u>125,579</u>	<u>2,511,358</u>	<u>1,439,934</u>	<u>(3,949,931)</u>	<u>126,940</u>
<u>Net Assets</u>					
Without Donor Restrictions	7,524,959	-	-	(2,511,358)	5,013,601
With Donor Restrictions	411,233	-	-	-	411,233
Invested in Subsidiaries	242,258	-	-	(242,258)	-
Noncontrolling Interest in Members' Capital	-	-	910,013	-	910,013
Members' Capital	-	242,258	2,750,014	(242,258)	2,750,014
Total Net Assets/Capital	<u>8,178,450</u>	<u>242,258</u>	<u>3,660,027</u>	<u>(2,995,874)</u>	<u>9,084,861</u>
TOTAL LIABILITIES AND NET ASSETS/CAPITAL	<u>\$ 8,304,029</u>	<u>\$ 2,753,616</u>	<u>\$ 5,099,961</u>	<u>\$(6,945,805)</u>	<u>\$ 9,211,801</u>

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATING STATEMENTS OF ACTIVITIES
For The Year Ended December 31, 2020

	<u>Bivona</u>			<u>Bivona</u>	<u>One</u>	<u>Eliminations</u>	<u>Consolidated</u>
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>				
	<u>Restriction</u>	<u>Restriction</u>	<u>Corporation</u>				
<u>Support and Revenue</u>							
Contributions	\$ 536,370	\$ 90,522	\$ 626,892	\$ -	\$ -	\$ -	\$ 626,892
Foundations	294,497	105,000	399,497	-	-	-	399,497
Grants	760,299	-	760,299	-	-	-	760,299
Partner Agency Fees	-	-	-	-	323,823	(133,069)	190,754
Special Events	667,267	-	667,267	-	-	-	667,267
Less: Direct Expenses	(142,211)	-	(142,211)	-	-	-	(142,211)
Summit	50,831	-	50,831	-	-	-	50,831
Less: Direct Expenses	-	-	-	-	-	-	-
Other Income	4,324	-	4,324	-	-	-	4,324
Net Assets Released from Restriction	<u>274,209</u>	<u>(274,209)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,445,586</u>	<u>(78,687)</u>	<u>2,366,899</u>	<u>-</u>	<u>323,823</u>	<u>(133,069)</u>	<u>2,557,653</u>
<u>Expenses</u>							
Program Services	1,652,267	-	1,652,267	-	309,046	(122,926)	1,838,387
Supporting Services:							
Management and General	219,499	-	219,499	-	46,954	(41,212)	225,241
Fundraising Expenses	<u>257,076</u>	<u>-</u>	<u>257,076</u>	<u>-</u>	<u>15,965</u>	<u>(6,350)</u>	<u>266,691</u>
Total Expenses	<u>2,128,842</u>	<u>-</u>	<u>2,128,842</u>	<u>-</u>	<u>371,965</u>	<u>(170,488)</u>	<u>2,330,319</u>

BIVONA CHILD ADVOCACY CENTER AND AFFILIATES
CONSOLIDATING STATEMENTS OF ACTIVITIES
For The Year Ended December 31, 2020
(Continued)

	<u>Bivona</u>			<u>Bivona Corporation</u>	<u>One Mt. Hope</u>	<u>Eliminations</u>	<u>Consolidated</u>
	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>				
	<u>Other Income and Expenses</u>						
Investment Income	74,735	-	74,735	-	4	(37,419)	37,320
Net Investment Return	<u>183,393</u>	<u>-</u>	<u>183,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,393</u>
Total Other Income and Expenses	<u>258,128</u>	<u>-</u>	<u>258,128</u>	<u>-</u>	<u>4</u>	<u>(37,419)</u>	<u>220,713</u>
Change in Net Assets	574,872	(78,687)	496,185	-	(48,138)	-	448,047
Net Assets/Capital - Beginning of Year	7,192,345	489,920	7,682,265	242,390	3,721,370	(2,996,138)	8,649,887
Priority Return	<u>-</u>	<u>-</u>	<u>-</u>	<u>(132)</u>	<u>(13,205)</u>	<u>264</u>	<u>(13,073)</u>
Net Assets/Capital - End of Year	<u>\$ 7,767,217</u>	<u>\$ 411,233</u>	<u>\$ 8,178,450</u>	<u>\$ 242,258</u>	<u>\$ 3,660,027</u>	<u>\$(2,995,874)</u>	<u>\$ 9,084,861</u>