



FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

MONTGOMERY COUNTY COLLABORATION COUNCIL
FOR CHILDREN, YOUTH AND FAMILIES, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Montgomery County Collaboration Council for Children,
Youth and Families, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Montgomery County Collaboration Council for Children, Youth and Families, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Montgomery County Collaboration Council for Children, Youth and Families, Inc. as of June 30, 2021 and 2020, 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.

Alta CPA Group, LLC

October 26, 2021

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 897,958	\$ 1,061,675
Accounts Receivable	986,956	903,743
Prepaid Expenses	<u>7,932</u>	<u>37,320</u>
Total Current Assets	1,892,846	2,002,738
Property and Equipment:		
Furniture and Fixtures	82,145	78,369
Less: Accumulated Depreciation	<u>(54,840)</u>	<u>(35,729)</u>
Net Property and Equipment	27,305	42,640
Other Assets:		
Deposits	<u>10,566</u>	<u>10,566</u>
Total Other Assets	<u>10,566</u>	<u>10,566</u>
Total Assets	<u>\$ 1,930,717</u>	<u>\$ 2,055,944</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 16,232	\$ 453,680
Accrued Expenses	87,025	159,723
Unapplied Grant Funds	<u>571,768</u>	<u>308,503</u>
Total Current Liabilities	<u>675,025</u>	<u>921,906</u>
Total Liabilities	675,025	921,906
Net Assets:		
Without Donor Restrictions	1,220,192	1,123,538
With Donor Restrictions	<u>35,500</u>	<u>10,500</u>
Total Net Assets	<u>1,255,692</u>	<u>1,134,038</u>
Total Liabilities and Net Assets	<u>\$ 1,930,717</u>	<u>\$ 2,055,944</u>

See auditor's report and accompanying notes to financial statements.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Government Contracts	\$ 5,186,347	\$ -	\$ 5,186,347	\$ 5,600,034	\$ 17,500	\$ 5,617,534
Contributions	31,591	25,000	56,591	32,535	10,500	43,035
Interest Income	38,706	-	38,706	1,704	-	1,704
Net Assets Released from Restrictions	-	-	-	30,000	(30,000)	-
Total Support and Revenue	5,256,644	25,000	5,281,644	5,664,273	(2,000)	5,662,273
Operating Expenses:						
Program Services:						
ACE Academy	-	-	-	36,335	-	36,335
Children with Intensive Needs	1,038,739	-	1,038,739	1,066,243	-	1,066,243
Community of Practice	75,174	-	75,174	129,204	-	129,204
Excel Beyond the Bell	-	-	-	510,741	-	510,741
Equal Justice for All Youth	1,196,262	-	1,196,262	1,084,899	-	1,084,899
Early Childhood	165,768	-	165,768	174,710	-	174,710
Info Montgomery	127,905	-	127,905	131,078	-	131,078
Out-of-School Time	732,334	-	732,334	-	-	-
Re-Engagement Center	489,247	-	489,247	430,891	-	430,891
Social Emotional	92,324	-	92,324	100,301	-	100,301
Substance Abuse Prevention	214,452	-	214,452	188,542	-	188,542
Systems of Care	281,624	-	281,624	1,050,651	-	1,050,651
Youth Advisory	-	-	-	8,032	-	8,032
Total Program Services	4,413,829	-	4,413,829	4,911,627	-	4,911,627
Supporting Services:						
Management and General	746,161	-	746,161	959,175	-	507,076
Total Supporting Services	746,161	-	746,161	959,175	-	959,175
Total Operating Expenses	5,159,990	-	5,159,990	5,870,802	-	5,870,802
Change in Net Assets	96,654	25,000	121,654	(206,529)	(2,000)	(208,529)
Net Assets at Beginning of Year	1,123,538	10,500	1,134,038	1,330,067	12,500	1,342,567
Net Assets at End of Year	\$ 1,220,192	\$ 35,500	\$ 1,255,692	\$ 1,123,538	\$ 10,500	\$ 1,134,038

See auditor's report and accompanying notes to financial statements.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services											Management and General	Total Expenses
	Children with Intensive Needs	Community of Practice	Equal Justice for All Youth	Early Childhood	Info- Montgomery	Re- Engagement Center	Social Emotional	Substance Abuse Prevention	Systems of Care	Time Out Of School	Program Services Total		
Direct Program Services:													
Direct Services	\$ 636,783	\$ 69,616	\$ 994,074	\$ 158,482	\$ -	\$ 486,011	\$ 92,324	\$ 83,725	\$ 177,685	\$ 507,194	\$ 3,205,894	\$ 23,367	\$ 3,229,261
Direct Salaries	220,609	-	79,972	5,285	76,509	-	-	77,961	20,045	118,632	599,013	517,571	1,116,584
Direct Fringe	68,862	-	52,886	1,220	15,091	-	-	20,642	6,812	23,526	189,039	119,234	308,273
Total Direct Program Services	926,254	69,616	1,126,932	164,987	91,600	486,011	92,324	182,328	204,542	649,352	3,993,946	660,172	4,654,118
Indirect Expenses:													
Supporting Salaries	839	-	18,349	10	1,190	-	-	106	-	746	21,240	-	21,240
Supporting Fringe	188	-	4,107	2	266	-	-	24	-	167	4,754	-	4,754
Occupancy, Equipment, and Software	21,010	1,500	6,467	769	14,723	-	-	10,431	32,253	51,939	139,092	49,984	189,076
Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	58,764	4,058	26,548	-	12,440	-	-	8,853	20,451	19,180	150,294	22,292	172,586
Printing	-	-	-	-	-	-	-	-	-	-	-	-	-
Communications	2,016	-	4,808	-	4,117	-	-	2,061	2,921	2,757	18,680	194	18,874
Depreciation	200	-	-	-	-	-	-	-	15,640	-	15,840	3,271	19,111
Insurance	4,940	-	5,626	-	143	-	-	1,758	1,782	734	14,983	368	15,351
Bad Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertisement	-	-	-	-	1,943	-	-	-	1,922	-	3,865	-	3,865
Supplies	962	-	660	-	656	-	-	441	1,402	1,864	5,985	6,183	12,168
Outreach and Education	-	-	-	-	-	-	-	7,696	-	-	7,696	1,045	8,741
Professional Development	-	-	-	-	-	-	-	220	-	148	368	1,510	1,878
Travel, Meals and Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage and Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees and Dues	23,095	-	2,223	-	624	1,412	-	359	621	2,557	30,891	666	31,557
Miscellaneous	471	-	542	-	203	1,824	-	175	90	2,890	6,195	476	6,671
Total Indirect Expenses	112,485	5,558	69,330	781	36,305	3,236	-	32,124	77,082	82,982	419,883	85,989	505,872
Total Expenses	\$ 1,038,739	\$ 75,174	\$ 1,196,262	\$ 165,768	\$ 127,905	\$ 489,247	\$ 92,324	\$ 214,452	\$ 281,624	\$ 732,334	\$ 4,413,829	\$ 746,161	\$ 5,159,990

See auditor's report and accompanying notes to financial statements.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services												Management and General	Total Expenses	
	ACE Academy	Children with Intensive Needs	Community of Practice	Excel Beyond the Bell	Equal Justice for All Youth	Early Childhood	Info- Montgomery	Re- Engagement Center	Social Emotional	Substance Abuse Prevention	Systems of Care	Youth Advisory			Program Services Total
Direct Program Services:															
Direct Services	\$ -	\$ 698,924	\$ 100,316	\$ 335,745	\$ 882,522	\$ 166,086	\$ -	\$ 423,046	\$ 100,301	\$ 61,758	\$ 648,498	\$ 5,250	\$ 3,422,446	\$ 5,875	\$ 3,428,321
Direct Salaries	-	208,198	2,509	120,617	82,148	7,258	77,080	2,435	-	59,679	172,919	-	732,843	583,292	1,316,135
Direct Fringe	-	61,794	-	29,093	33,847	1,366	18,907	1,510	-	15,506	51,843	-	213,866	-	213,866
Total Direct Program Services	-	968,916	102,825	485,455	998,517	174,710	95,987	426,991	100,301	136,943	873,260	5,250	4,369,155	589,167	4,958,322
Indirect Expenses:															
Supporting Salaries	-	-	-	-	-	-	1,695	-	-	331	8,243	-	10,269	-	10,269
Supporting Fringe	-	-	-	-	-	-	-	-	-	-	-	-	-	151,750	151,750
Occupancy, Equipment, and Software	-	17,995	5,370	5,552	15,417	-	2,025	-	-	2,471	56,965	-	105,795	60,801	166,596
Consultants	-	34,120	-	6,000	29,234	-	3,840	-	-	4,685	27,197	-	105,076	41,924	147,000
Professional Fees	-	26,809	-	4,715	25,831	-	3,017	-	-	3,681	45,798	-	109,851	39,638	149,489
Printing	-	80	1,511	-	-	-	-	-	-	1,043	-	-	2,634	900	3,534
Communications	-	1,387	3,907	244	1,188	-	4,087	3,900	-	517	2,004	-	17,234	16,487	33,721
Depreciation	-	200	-	-	-	-	-	-	-	-	13,173	-	13,373	7,400	20,773
Insurance	-	2,016	-	354	1,727	-	227	-	-	277	1,607	-	6,208	2,477	8,685
Bad Debt	36,335	-	-	-	-	-	-	-	-	-	-	-	36,335	-	36,335
Advertisement	-	3,714	-	-	3,182	-	17,649	-	-	21,834	-	-	46,379	1,497	47,876
Supplies	-	5,899	2,990	1,597	4,104	-	1,075	-	-	1,298	13,365	1,206	31,534	15,676	47,210
Professional Development	-	696	5,470	5,592	732	-	78	-	-	1,843	555	-	14,966	5,153	20,119
Travel, Meals and Entertainment	-	882	7,131	509	1,944	-	140	-	-	13,135	5,672	1,576	30,989	4,174	35,163
Postage and Delivery	-	1,440	-	456	1,233	-	44	-	-	197	1,147	-	4,517	1,768	6,285
Fees and Dues	-	2,089	-	267	1,790	-	1,214	-	-	287	1,665	-	7,312	2,567	9,879
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	17,796	17,796
Total Indirect Expenses	36,335	97,327	26,379	25,286	86,382	-	35,091	3,900	-	51,599	177,391	2,782	542,472	370,008	912,480
Total Expenses	\$ 36,335	\$ 1,066,243	\$ 129,204	\$ 510,741	\$ 1,084,899	\$ 174,710	\$ 131,078	\$ 430,891	\$ 100,301	\$ 188,542	\$ 1,050,651	\$ 8,032	\$ 4,911,627	\$ 959,175	\$ 5,870,802

See auditor's report and accompanying notes to financial statements.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 121,654	\$ (208,529)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Depreciation	19,111	20,773
Change in Assets and Liabilities:		
Decrease (Increase) In Accounts Receivable	(83,213)	434,914
Decrease (Increase) in Prepaid Expenses	29,388	(25,860)
Decrease (Increase) in Employee Advances	-	-
Increase (Decrease) in Accounts Payable	(437,448)	422,018
Increase (Decrease) in Accrued Expenses	(72,698)	77,222
Increase (Decrease) in Unapplied Grant Funds	<u>263,265</u>	<u>28,247</u>
Net Cash Used (Provided) by Operating Activities	(159,941)	748,785
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	<u>(3,776)</u>	<u>(7,673)</u>
Net Cash Used by Investing Activities	(3,776)	(7,673)
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	(163,717)	741,112
Cash at Beginning of Year	<u>1,061,675</u>	<u>320,563</u>
Cash at End of Year	<u>\$ 897,958</u>	<u>\$ 1,061,675</u>

See auditor's report and accompanying notes to financial statements.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 - ORGANIZATION

Montgomery County Collaboration Council for Children, Youth and Families, Inc. (the "Collaboration Council" or the "Organization") was organized in March 2004 as a nonprofit corporation and was designated as the Local Management Board (LMB) for Montgomery County, Maryland effective July 1, 2004.

The Collaboration Council plans, coordinates, funds and monitors specific interagency services to improve child well-being in Montgomery County. As an LMB, the Collaboration Council has a role at the systems and program levels to engage its public and private partners, parents and others to identify needs and gaps in services and to facilitate problem solving to address the items identified. The Collaboration Council is also responsible for the implementation of programs funded under the Community Partnership Agreement (CPA) with the Governor's Office for Children, of the State of Maryland (GOC).

The programs provided by the Collaboration Council include:

Children with Intensive Needs – Children with intensive needs include those children who have severe emotional, behavioral and/or developmental disabilities. They require a level of intensive services that can only come from cross-agency collaboration in service planning and delivery, funding and oversight. Working with partners, the Collaboration Council works to direct parents to the most appropriate services; lead efforts to bring fragmented resources together on both the family and program levels; and build effective community-based programs all contributing to the local system of care.

Youth Development Community of Practice - is a county-wide knowledge sharing and learning entity designed to provide professional development resources for youth development practitioners in Montgomery County. The entity focuses on increasing knowledge of best practices to enhance the skills of youth development practitioners, and ultimately strengthen the capacity of youth serving organizations. The YD CoP makes it possible for young people in the county to have the highest quality programs and services.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 - ORGANIZATION (CONTINUED)

Excel Beyond the Bell is a public-private partnership offering safe, quality and accessible out-of-school time programs (www.excelbeyondthebell.org). Together with the Montgomery County Recreation Department, Montgomery County Public Schools and a number of community-based organizations, our comprehensive middle school program pilot has grown from serving three to eight middle schools since fall of 2010. Program quality and professional development plays an integral role in the out-of-school time system; last year over 100 organizations participated in our workshops focusing on positive youth development principles and best practices in the field.

Equal Justice for All Youth is our initiative that brings together both public agencies and private organizations to ensure that youth of color who have historically faced disparities receive equitable treatment within the juvenile justice and educational systems. An example of our convening ability is our role as the lead agency in the “My Brother’s Keeper” initiative, launched nationally in 2014 by President Obama. We have also spearheaded the conversation and work-around redressing the effects of the “School to Prison Pipeline” within our school system. These actions have led to historic declines in the numbers of youth being needlessly detained before adjudication, an increased number of youths receiving support to address mental health issues and a larger presence of youth voice in meetings and decisions where they traditionally have been marginalized.

Home Visiting – A program that delivers home-based parenting education and case management services to ensure that families have income support and health care among other services), so that their children, birth to 5 years, are achieving developmental milestones in safe, stable families and enter school ready to learn.

Info-Montgomery is a collaborative effort of public and private agencies to provide detailed information about health, education and human service resources throughout Montgomery County, MD. It is the goal of *info-Montgomery* to link individuals and families with services that can help.

Re-Engagement Center offers young adults between the ages of 16 and 24 the opportunity to be connected to employment and GED/Diploma assistance services. Participants interact with Peer Connectors, Employment Specialists, and Educational Specialists to develop skills and be directly connected to employment and educational programs.

SEL Girl’s Mentoring Group is a social-emotional learning (SEL) pilot in partnership with Crittenton Services of Greater Washington in order to examine the developmental, academic and engagement impact of expanding middle school access to SEL/Mentoring-focused out of school time (OST) programs while providing resources to increase OST providers’ capacity on participating youth and families.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 - ORGANIZATION (CONTINUED)

Substance Abuse Prevention serves as the catalyst to drive the prevention message against underage alcohol and drug use, with a focus on the current opiate epidemic in Montgomery County. A coalition of over 100 individuals representing many government, educational, public, private and faith-based organizations, as well as citizens who have lost loved ones to fatal opiate overdoses and those who have suffered non-fatal overdoses meet regularly to share prevention related news updates, ideas for strategies toward effective education of youth, parents, medical staff, and other audiences, while also evaluating what works, what doesn't, and what can be done more effectively. Planning efforts have led to a partnership with the Montgomery County State's Attorney's Office and Department of Health to participate in the outreach presentation of *Speak Up, Save a Life*.

Systems of Care is a partnership among public and private agencies in Montgomery County working together to increase the behavioral health services of children and youth. The system begins with a centralized Pathway to Services; residents can make a call and be referred to community services or to the Local Care Team of professional from over ten agencies. The Local Care Team collectively works to create a plan of care that moves children and their family towards better health.

Youth Advisory Council is a group of County youth ages 16 to 24 who are committed to being ambassadors for youth voice in programing. These ambassadors engage their community, show leadership, and work together to spread the mission of centering youth voice.

Youth Sports Initiative is a county-wide public-private partnership with the Montgomery County Council, Montgomery County Recreation Department, and Montgomery County Office of Community Use of Public Facilities to increase the equitable access to quality sports programming for all youth across the county. Funding support helps provide subsidized space to providers who, in turn, pass on fewer fees to Montgomery County youth wishing to participate in instructional or competitive sports.

Montgomery County Community Youth Support & Engagement (MoCoCYSE) is a county-wide public-private partnership with Montgomery County Council & the Montgomery County Department of Recreation to deliver community-based and located quality out-of-school time programming to school-aged youth. Programs provided direct enrichment, STEM, mentoring, wellness, social-emotional learning and arts programming as well as referrals to wraparound and wellbeing resources for participating families.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 - ORGANIZATION

Out-of-School Time Programs (OST Programs) are programs designed to engage children and youth in services, supports and opportunities in times when schools are not in operation. OST programs include programming models such as before and after school programs, break camps, day camps, afterschool sports practices/ clinics that engage children and youth and provide safety, supervision, and provision of experiences that support children and youth's positive development.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the financial statements reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on 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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Organization considers cash on hand, cash on deposit with banks and in money markets, and all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Receivables are stated at amounts estimated by management to be the net realizable value. The Collaboration Council charges off accounts receivable when it becomes apparent based upon age or circumstances that the amounts will not be collected.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is established through charges to the provision for bad debts. The Organization evaluates the adequacy of the allowance for doubtful accounts on a periodic basis. The evaluation includes historical trends in collections and write-offs, management's judgement of the probability of collecting accounts and management's evaluation of business risks. Management estimates that as of June 30, 2021 and 2020, there was no allowance for doubtful accounts necessary.

Property and Equipment

Property and equipment are recorded at cost. The cost of maintenance and repairs is recorded as an expense when incurred. The Organization capitalizes major acquisitions of \$3,000 or more with useful lives greater than a year.

Depreciation is calculated using the straight line method over the estimated useful lives of three years for furniture and equipment. Depreciation expense for the years ended June 30, 2021 and 2020 was \$19,111 and \$20,773, respectively.

Revenue Recognition

Contributions are recognized as revenue when received or when an unconditional promise to give has been received and sufficient documentation exists. All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, 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.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Donor restricted contributions whose restrictions are met in the same reporting period, are reported as support without donor restrictions.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended June 30, 2021 and 2020. The Organization's informational return filings are subject to audit by the Internal Revenue Service, generally for three years after filing.

Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Expenses which benefit more than one function are allocated on a reasonable basis that is consistently applied; the basis of allocation is estimates of time and effort maintained by each employee.

The Management and General expenses of \$746,161 on the statement of functional expenses include expenses for programs funded through the Governor's Office of Crime Preservation, Youth and Victim Services (GOCPYVS).

Subsequent Events

The Organization evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to October 26, 2021 that would have a material impact on the financial statements.

NOTE 3 - LINE OF CREDIT

The Organization has a line of credit with a maximum borrowing of \$100,000. Interest is payable monthly at the prime rate plus 2.0%, with a minimum rate of 5.59%.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 3 – LINE OF CREDIT (CONTINUED)

The line is secured by the Organization’s assets. As of June 30, 2021, and 2020, there was no outstanding balance on the line. Per the agreement, there is no end date unless both parties agree to terminate the agreement in writing.

NOTE 4 - RETIREMENT PLAN

The Collaboration Council has a 401(k) retirement plan covering substantially all of the employees of the Organization. Employees may make elective deferrals into the plan. In addition, employer contributions into the plan may be made at the discretion of the Board of Directors. The Collaboration Council’s contribution to the 401(k) plan during the years ended June 30, 2021 and 2020 was \$59,309 and \$46,704, respectively.

NOTE 5 - OPERATING LEASES

The Collaboration Council leases office space and equipment under non-cancelable leases through September 2022. Rent expense under these office and equipment leases for the years ended June 30, 2021 and 2020 was \$132,768 and \$135,816, respectively, and has been included as part of occupancy and equipment leases in the statement of functional expenses.

The Collaboration Council has agreed to relocate from its current location and lease a new office space at 1803 Research Blvd. This lease will commence June 30, 2021 and shall last five years from the current lease expiration date of September 30, 2022.

Minimum future rental payments under non-cancelable leases as of June 30, are:

2022	\$ 136,419
2023	140,171
2024	144,025
2025	147,986
2026	<u>152,056</u>
Total	\$ <u>720,657</u>

NOTE 6 - CONTINGENCIES

The Collaboration Council receives a substantial portion of its revenue from state and local governments, certain of which are subject to audit by the appropriate governmental agencies. Until all audits have been completed and final settlements reached through June 30, 2021, there exists a contingent liability to refund any amounts received in excess of allowable costs. Management of the Collaboration Council is of the opinion that no significant liability will result from these audits, if any.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 - CONCENTRATIONS

The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000 at each institution. At June 30, 2021, Collaboration Council had no cash balances that exceeded the FDIC limits, since they use a sweep account to diminish any loss.

The Council has not experienced any losses in such accounts and does not believe it is exposed to any significant risk on cash and cash equivalents.

The Collaboration Council receives a substantial portion of its revenue from state and local governments. The Organization is heavily reliant on funding from State, County, and Federal appropriations. In the event that appropriations are reduced, there will be an impact on the Collaboration Council's ability to carry out its missions and programs. The table below shows the percentage of revenue associated with these sources:

<u>Source</u>	<u>2021</u>	<u>2020</u>
State of Maryland	40%	36%
Montgomery County, Maryland	55%	45%
Federal Funds	5%	19%

The Organization's accounts receivable is concentrated with the federal, state, and local governments. The table below shows the percentage of accounts receivable associated with these sources:

<u>Source</u>	<u>2021</u>	<u>2020</u>
State of Maryland	23%	25%
Montgomery County, Maryland	77%	28%
Federal Government	0%	47%

NOTE 8 - LIQUIDITY AND AVAILABILITY

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. When necessary the Organization may draw on its line of credit to meet general expenditures.

MONTGOMERY COUNTY COLLABORATION COUNCIL FOR CHILDREN, YOUTH AND FAMILIES, INC.
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8 - LIQUIDITY AND AVAILABILITY (CONTINUED)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 897,958	\$ 624,900
Accounts Receivable	<u>986,956</u>	<u>903,743</u>
 Total Current Financial Assets at Year End	 1,884,914	 1,528,643
 Amounts Unavailable for General Expenditures Within One Year, Due to:		
Restricted by Donors for a Specific Purpose	<u>(35,500)</u>	<u>(10,500)</u>
 Total Financial Assets Available for General Expenditure Within One Year	 \$ <u>1,849,414</u>	 \$ <u>1,518,143</u>

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Time Restricted	<u>35,500</u>	<u>10,500</u>
Total	\$ <u>35,500</u>	\$ <u>10,500</u>