



CHILD & FAMILY
GUIDANCE CENTER OF TEXOMA
— Where help, hope and healing begin —

Child and Family Guidance Center of Texoma

Audited Comparative Financial Statements

For the Years Ended December 31, 2022 and 2021

Child and Family Guidance Center of Texoma

Table of Contents

December 31, 2022 and 2021

	PAGE
Independent Auditor's Report	1 - 2
FINANCIAL STATEMENTS	
Statements of Assets, Liabilities and Net Assets – Modified Cash Basis - December 31, 2022 and 2021.....	3
Statement of Support, Revenue and Expenses and Changes in Net Assets – Modified Cash Basis – For the Year Ended December 31, 2022.....	4
Statement of Support, Revenue and Expenses and Changes in Net Assets – Modified Cash Basis – For the Year Ended December 31, 2021.....	5
Statement of Functional Expenses – Modified Cash Basis - For the Year Ended December 31, 2022.....	6
Statement of Functional Expenses – Modified Cash Basis - For the Year Ended December 31, 2021.....	7
Notes to the Financial Statements	8 - 14

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Child and Family Guidance Center of Texoma

Opinion

I have audited the accompanying financial statements of Child and Family Guidance Center of Texoma (the Organization) (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2022 and 2021, and the related statements of support, revenues, and expenses and changes in net assets – modified cash basis, and functional expense – modified cash basis for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, assets, liabilities and net assets of Child and Family Guidance Center of Texoma as of December 31, 2022 and 2021, and its support, revenue and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Basis of Accounting

I draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

Leri Ann Cannon, CPA

Sherman, Texas
August 25, 2023

Child and Family Guidance Center of Texoma

Statements of Assets, Liabilities and Net Assets -

Modified Cash Basis

December 31, 2022 and 2021

	Assets	
	2022	2021
Current Assets		
Cash and Cash Equivalents	\$ 904,268	\$ 1,314,972
Total Current Assets	<u>904,268</u>	<u>1,314,972</u>
Fixed Assets		
Land	40,000	40,000
Construction in Progress	-	779,424
Buildings and Improvements	1,291,807	587,658
Furniture and Equipment	255,382	72,095
Less Accumulated Depreciation	<u>(334,909)</u>	<u>(268,196)</u>
Total Fixed Assets	<u>1,252,280</u>	<u>1,210,981</u>
 Total Assets	 <u>\$ 2,156,548</u>	 <u>\$ 2,525,953</u>
Liabilities and Net Assets		
Current Liabilities		
Accrued Payroll	\$ 24,817	\$ 4,235
Current Portion of Economic Injury Disaster Loan (EIDL)	3,785	3,681
Total Current Liabilities	<u>28,602</u>	<u>7,916</u>
Long-Term Liabilities		
Long-Term Portion of EIDL	138,072	141,857
Long-Term Portion of Note Payable	-	568,728
Total Long-Term Liabilities	<u>138,072</u>	<u>710,585</u>
 Total Liabilities	 <u>166,674</u>	 <u>718,501</u>
Net Assets		
With Donor Restrictions		
Programs	25,000	255,000
Expansion Project	-	139,551
Total With Donor Restrictions	<u>25,000</u>	<u>394,551</u>
Without Donor Restrictions		
Undesignated	712,594	201,920
Net Investment in Capital Assets	<u>1,252,280</u>	<u>1,210,981</u>
Total Without Donor Restrictions	<u>1,964,874</u>	<u>1,412,901</u>
 Total Liabilities and Net Assets	 <u>\$ 2,156,548</u>	 <u>\$ 2,525,953</u>

The accompanying notes are an integral part of these financial statements.

Child and Family Guidance Center of Texoma
Statement of Support, Revenue and Expenses and Changes in Net Assets
Modified Cash Basis
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues and Support			
Fees for Therapy and Education	\$ 760,135	\$ -	\$ 760,135
Contributions			
Indirect - United Way Allocation	21,000	-	21,000
Direct Contributions	721,071	25,000	746,071
Fundraising	219,572	-	219,572
Interest Income	2,634	-	2,634
Net Assets Released from Restrictions	<u>394,551</u>	<u>(394,551)</u>	<u>-</u>
Total Operating Revenues and Support	<u>2,118,963</u>	<u>(369,551)</u>	<u>1,749,412</u>
Operating Expenses			
Program	1,329,850	-	1,329,850
Management and General	98,998	-	98,998
Fundraising	<u>121,878</u>	<u>-</u>	<u>121,878</u>
Total Operating Expenses	<u>1,550,726</u>	<u>-</u>	<u>1,550,726</u>
Change in Net Assets before Other Income	568,237	(369,551)	198,686
Other Income (Expenses)			
Interest Expense	<u>(16,264)</u>	<u>-</u>	<u>(16,264)</u>
Total Other Income (Expenses)	<u>(16,264)</u>	<u>-</u>	<u>(16,264)</u>
Change in Net Assets	<u>551,973</u>	<u>(369,551)</u>	<u>182,422</u>
Net Assets, Beginning of Year	<u>1,412,901</u>	<u>394,551</u>	<u>1,807,452</u>
Net Assets, End of Year	<u>\$ 1,964,874</u>	<u>\$ 25,000</u>	<u>\$ 1,989,874</u>

The accompanying notes are an integral part of these financial statements.

Child and Family Guidance Center of Texoma
Statement of Support, Revenue and Expenses and Changes in Net Assets
Modified Cash Basis
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues and Support			
Fees for Therapy and Education	\$ 672,010	\$ -	\$ 672,010
Contributions			
Indirect - United Way Allocation	46,538	30,000	76,538
Direct Contributions	275,681	225,000	500,681
Fundraising	182,167	-	182,167
Interest Income	1,004	-	1,004
Net Assets Released from Restrictions	167,000	(167,000)	-
Total Operating Revenues and Support	<u>1,344,400</u>	<u>88,000</u>	<u>1,432,400</u>
Operating Expenses			
Program	1,144,600	-	1,144,600
Management and General	92,276	-	92,276
Fundraising	54,722	-	54,722
Total Operating Expenses	<u>1,291,598</u>	<u>-</u>	<u>1,291,598</u>
Change in Net Assets before Other Income	52,802	88,000	140,802
Other Income (Expenses)			
Interest Expense	(5,894)	-	(5,894)
Forgiven Paycheck Protection Program Loan	154,600	-	154,600
Expansion Project Released from Restrictions	102,550	(102,550)	-
Total Other Income (Expenses)	<u>251,256</u>	<u>(102,550)</u>	<u>148,706</u>
Change in Net Assets	<u>304,058</u>	<u>(14,550)</u>	<u>289,508</u>
Net Assets, Beginning of Year	<u>1,108,843</u>	<u>409,101</u>	<u>1,517,944</u>
Net Assets, End of Year	<u>\$ 1,412,901</u>	<u>\$ 394,551</u>	<u>\$ 1,807,452</u>

The accompanying notes are an integral part of these financial statements.

Child and Family Guidance Center of Texoma

Statement of Functional Expenses

Modified Cash Basis

For the Year Ended December 31, 2022

	Program	Management and General	Fundraising	Total
Assistance to Indigent	\$ 1,000	\$ -	\$ -	\$ 1,000
Bank Charges/Misc	3,976	929	2,459	7,364
Board/Staff Meetings	3,495	1,748	1,748	6,991
Building - Cleaning	14,849	2,620	-	17,469
Building and Grounds Maintenance	8,891	1,569	-	10,460
Continuing Education	2,413	426	-	2,839
Copier Maintenance and Supplies	4,094	722	-	4,816
Employee Benefits	139,772	6,947	9,554	156,273
Employee Background/Drug Tests	7,437	370	508	8,315
Fundraising Expenses	-	-	38,684	38,684
Insurance - Professional	7,201	-	-	7,201
Insurance - Property and General Liability	3,415	603	-	4,018
Membership Dues	248	1,408	-	1,656
Office Equipment Repairs	15,954	2,816	-	18,770
Office Supplies	6,526	1,152	-	7,678
Payroll Processing Fees	3,046	151	209	3,406
Payroll Taxes	70,703	3,514	4,833	79,050
Professional Fees - Audit	-	8,900	-	8,900
Salaries and Wages	934,536	46,447	63,883	1,044,866
Software - Therapy and Billing	17,055	3,010	-	20,065
Telephone, Cable and Internet	6,941	1,225	-	8,166
Therapy Supplies	10,327	-	-	10,327
Utilities	11,265	1,988	-	13,253
Worker's Compensation Insurance	-	2,446	-	2,446
Total Expenses Before Depreciation	1,273,144	88,991	121,878	1,484,013
Depreciation Expense	56,706	10,007	-	66,713
Total Expenses	\$ 1,329,850	\$ 98,998	\$ 121,878	\$ 1,550,726

The accompanying notes are an integral part of these financial statements.

Child and Family Guidance Center of Texoma

Statement of Functional Expenses

Modified Cash Basis

For the Year Ended December 31, 2021

	Program	Management and General	Fundraising	Total
Assistance to Indigent	\$ 7,029	\$ -	\$ -	\$ 7,029
Bank Charges/Misc	-	7,288	-	7,288
Building - Cleaning	6,303	1,112	-	7,415
Building and Grounds Maintenance	7,359	1,299	-	8,658
Continuing Education	350	62	-	412
Copier Maintenance and Supplies	3,903	689	-	4,592
COVID Expenses	2,075	366	-	2,441
Employee Benefits	99,971	5,633	3,495	109,099
Employee Background/Drug Tests	2,429	137	85	2,651
Fundraising Expenses	-	-	20,193	20,193
Insurance - Professional	3,819	2,896	-	6,715
Insurance - Property and General Liability	2,910	514	-	3,424
Membership Dues	61	344	-	405
Office Equipment Repairs	14,619	2,580	-	17,199
Office Supplies	5,606	989	-	6,595
Payroll Processing Fees	2,740	154	96	2,990
Payroll Taxes	57,593	3,245	2,013	62,851
Postage/Shipping	266	265	-	531
Professional Fees - Audit	-	7,000	-	7,000
Printing/Publications	162	28	-	190
Salaries and Wages	823,050	46,378	28,769	898,197
Software - Therapy and Billing	21,558	3,804	-	25,362
Telephone, Cable and Internet	7,244	1,278	-	8,522
Therapy and Testing Contractors	33,525	-	-	33,525
Therapy Supplies	5,420	-	-	5,420
Transportation and Mileage	2,713	479	-	3,192
Utilities	9,364	1,652	-	11,016
Worker's Compensation Insurance	2,031	114	71	2,216
Total Expenses Before Depreciation	1,122,100	88,306	54,722	1,265,128
Depreciation Expense	22,500	3,970	-	26,470
Total Expenses	<u>\$ 1,144,600</u>	<u>\$ 92,276</u>	<u>\$ 54,722</u>	<u>\$ 1,291,598</u>

The accompanying notes are an integral part of these financial statements.

Child and Family Guidance Center of Texoma

Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

Note 1 - Description of Organization

Organization, History and Purpose - The Child and Family Guidance Center of Texoma (CFGC) (the Organization) embraces an environment that values transparency, the resilience and dignity of people served, and the community's passionate support of the mission, which is to strengthen, improve, and empower the lives of hurting Texoma children and families, through compassionate and restorative mental healthcare.

CFGC has evolved over 50 years to be a leading outpatient mental healthcare provider in the community for children and families experiencing trauma, trials and tribulations. Annually, over 3000 of the most vulnerable children and family members are provided access to high quality mental healthcare regardless of financial limitations.

In 2017, CFGC adopted the evidenced based, trauma-informed (TIC) model of care, embracing a culture of care that is permeating CFGC from top to bottom. CFGC's organizational environment represents care for the health, well-being, and safety of, as well as respect for, its staff and clients. This model enhances the ability of their staff to provide the best possible evidence-based, trauma-informed behavioral health services to clients.

CFGC is a fully integrated trauma-informed care organization able to recognize, respond to and resist re-traumatization of clients served as well as provide trauma-informed care information and training to their collaborative partners. CFGC helps children and families find hope, heal and recover resulting in a stronger community for all.

Tax Status - CFGC is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to CFGC are tax deductible to donors under Section 170 of the IRC. CFGC is not classified as a private foundation.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - The financial statements of CFGC are prepared on the modified cash basis of accounting. Income is recognized when received and expenses are recognized when paid. Non-cash expenses include depreciation of fixed assets, as described in Note 8. Also reported are employee payroll deductions accrued and not remitted by the end of the year. Long term debt is also reported on the statement of assets, liabilities, and net assets. Since the financial statements are presented on the modified cash basis of accounting, a statement of cash flows is not required or included.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of CFGC. These net assets may be used at the discretion of CFGC's management and the board of directors.

Net assets with donor restrictions: Net assets with donor restrictions are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CFGC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were \$25,000 and \$394,551 in net assets with donor restrictions at December 31, 2022 and 2021, respectively, for building, programs and related personnel needs.

Child and Family Guidance Center of Texoma

Notes to the Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued) - Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of support, revenue and expenses and changes in fund balance.

Cash and Cash Equivalents – CFGC’s cash consists of cash on deposit with banks. Cash equivalents are all highly liquid investments with an original maturity date of three months or less. The CFGC maintains cash balances at two local financial institutions. Deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Classifications of Transactions - All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Contributions - Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Building and Equipment - CFGC’s policy is to capitalize assets with a cost or estimated fair market value of at least \$2,500 and a useful life of longer than one year. Assets contributed with specific restrictions regarding use and contributions of cash that must be used to acquire property and equipment are reported as restricted support until the restrictions are satisfied. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets which varies from 5-40 years.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, CFGC’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. CFGC’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Adoption of Accounting Pronouncements - In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (topic 842)*, for reporting leases, which requires an entity that is a lessee to classify leases as either finance or operating and to recognize a lease liability and a right-of-use asset for all leases that have a term greater than twelve months. Leases of twelve months or less will be accounted for like existing guidance for operating leases. In June 2020, the FASB issued ASU 2020-05 *Revenue from Contracts with Customers (Topics 606) and Leases (Topic 842): Effective Dates for Certain Entities*. This ASU was effective for the fiscal year ended December 31, 2022 and did not have a material effect on the financial statements.

Child and Family Guidance Center of Texoma

Notes to the Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Adoption of Accounting Pronouncements (continued) - In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which provides clearer financial information about important noncash contributions charities and other not-for-profit organizations receive, known as gifts-in-kind (GIK's). The standard provides new presentation and disclosure requirements about contributed nonfinancial assets for nonprofits, including additional disclosure rules for recognized contributed services. The new guidance was effective for the Organization's year ending December 31, 2022, was applied using the retrospective method, and did not have a material effect on the financial statements.

Note 3 - Reporting of Expenses by Function

The statement of functional expenses presents expenses of CFGC according to program, management, and general, and fundraising expenses. Expenses have been allocated on a reasonable basis that is consistently applied based on management's estimates of time and effort and on primary use of resources.

Note 4 – Government Grants

CFGC receives income for counseling and therapy services from individuals, insurance, and various sources, some of which are processed by governmental agencies.

CFGC was a subrecipient of the Community Development Block Grant from the Department of Housing and Urban Development (HUD) through the City of Sherman, Texas for the purpose of providing counseling services for low income citizens. This is a reimbursing grant and the proceeds received, which are not material to the financial statements, have been included in fees income. The grant is received by the City of Sherman, Texas from the U.S. Government under Title I of the Housing and Community Development Act of 1974, Public Law 93-383.

CFGC was also a recipient of the Community Mental Health Grant (CMHG) from the Health and Human Services Commission (HHSC) for the purpose of increasing access to care for the impoverished and uninsured populations in the Texoma region by expansion of the mental health professional workforce. The contract for the CMHG was originally set to expire in August 2022, but was extended through August 2025. The total value of this contract is not to exceed \$468,000, which includes the system agency's share of \$312,400 and the Grantee's required match amount of \$156,200. All expenditures under the contract will be in accordance with specific provisions outlined by the HHSC.

Note 5 - Availability and Liquidity

The Board has 4 levels of evaluating the liquidity of CFGC. Those levels are:

1. Five to seven months of income is necessary to make sure CFGC can operate in the event of a significant reduction in funding.
2. A minimum of \$25,000 for facility emergency repairs and/or cost of doing business.
3. Anything in excess of the first two levels would be used to increase the capacity of existing programs and services.
4. Anything in excess of the first three levels would be used to reduce existing debt.

Child and Family Guidance Center of Texoma

Notes to the Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

Note 5 - Availability and Liquidity (continued)

The amount of financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual, donor-imposed, or board-imposed restrictions within one year of the balance sheet date, were:

	2022	2021
Financial Assets at Year-End	\$ 904,268	\$ 1,314,972
Less Those Unavailable for General Expenses Within One Year, Due To:		
Loan Payments	(3,785)	(3,681)
Donor Restricted Program Funds	(25,000)	(255,000)
Board Restricted Emergency Fund	(25,000)	-
Donor Restricted Expansion Project Funds	-	(139,551)
Financial Assets Available to Meet Cash Needs for General Expenses Within One Year	\$ 850,483	\$ 916,740

CFGC had approximately 7 and 11 months of liquid assets available to cover expenses at December 31, 2022 and 2021.

Note 6 – Retirement Plan

CFGC provides a Simple IRA retirement plan to eligible employees, wherein CFGC matches employee contributions with a maximum of 3% of compensation. For the years ended December 31, 2022 and 2021, CFGC contributed \$18,742 and \$15,929 respectively, for the benefit of employees.

Note 7 – Related Party Transactions

At various times, CFGC may contract with board members or businesses associated with board members, which are disclosed to and approved by the Board. The value of these services is not material to the financial statements. Board members contribute to CFGC as well.

Note 8 - Property and Equipment

The following schedule summarizes the changes in fixed assets for the years ended December 31, 2022 and 2021.

	Balance December 31, 2021	Additions	Deductions / Reclassifications	Balance December 31, 2022
Nondepreciable Assets				
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Construction in Progress	779,424	-	(779,424)	-
Total Nondepreciable Assets	819,424	-	(779,424)	40,000
Depreciable Assets				
Buildings and Improvements	587,658	-	704,249	1,291,907
Furniture and Equipment	72,095	108,012	75,175	255,282
Total Depreciable Assets	659,753	108,012	779,424	1,547,189
Accumulated Depreciation	(268,196)	(66,713)	-	(334,909)
Net Fixed Assets	\$ 1,210,981	\$ 41,299	\$ -	\$ 1,252,280

Child and Family Guidance Center of Texoma

Notes to the Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

Note 8 - Property and Equipment (continued)

	Balance December 31, 2020	Additions	Deductions	Balance December 31, 2021
Nondepreciable Assets				
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Construction in Progress	-	<u>779,424</u>	-	<u>779,424</u>
Total Nondepreciable Assets	<u>40,000</u>	<u>779,424</u>	<u>-</u>	<u>819,424</u>
Depreciable Assets				
Buildings and Improvements	609,349	-	(21,691)	587,658
Furniture and Equipment	<u>72,095</u>	-	-	<u>72,095</u>
Total Depreciable Assets	681,444	-	(21,691)	659,753
Accumulated Depreciation	<u>(241,726)</u>	<u>(26,470)</u>	-	<u>(268,196)</u>
Net Fixed Assets	<u>\$ 479,718</u>	<u>\$ 752,954</u>	<u>\$ (21,691)</u>	<u>\$ 1,210,981</u>

For the years ended December 31, 2022 and 2021, depreciation expense totaled \$66,713 and \$26,470, respectively.

Note 9 - Commitments and Contingencies

CFGC is subject to program compliance audits by the grantors and third-party payors or their representatives. Accordingly, CFGC's compliance with applicable grant and billing requirements will be established at some future date. If future program compliance audits result in questioned or disallowed costs, reimbursements would be made to the applicable agencies. The amounts of expenditures that might be disallowed by those agencies cannot be determined at this time; however, management believes such amounts, if any, would be immaterial.

Note 10 – Economic Injury Disaster Loan

At the July 16, 2020 Board meeting, CFGC announced that they were approved for the Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL). The terms of this loan are 2.75% interest for 30 years at a monthly repayment of \$641 per month beginning August, 2020.

Activity for the loan for the year ended December 31, 2022 is as follows:

Balance at beginning of year	\$ 145,538
Payments	<u>(3,681)</u>
Balance at end of year	<u>\$ 141,857</u>

Activity for the loan for the year ended December 31, 2021 is as follows:

Balance at beginning of year	\$ 147,336
Payments	<u>(1,798)</u>
Balance at end of year	<u>\$ 145,538</u>

Child and Family Guidance Center of Texoma

Notes to the Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

Note 10 – Economic Injury Disaster Loan (continued)

The amortized payout for the loan over the next five years and each five years thereafter is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,785	\$ 3,907	\$ 7,692
2024	3,881	3,811	7,692
2025	4,002	3,690	7,692
2026	4,115	3,577	7,692
2027	4,729	3,461	8,190
2028-2032	22,499	15,463	37,962
2033-2037	26,445	12,015	38,460
2038-2042	30,396	8,064	38,460
2043-2047	34,940	3,520	38,460
2048	7,065	101	7,166
	<u>\$ 141,857</u>	<u>\$ 57,609</u>	<u>\$ 199,466</u>

Note 12 – Loan Payable

In May 2021, the Board approved CFGC's construction loan with First United Bank to use toward new construction on CFGC's expansion. The amount of the loan was for \$568,730, beginning with a term of 18-months of interest only payments, followed by 41 months of principal and interest payments of \$3,533 at a 4.25% fixed interest rate and a balloon payment of \$504,871 due on June 21, 2026. In June 2022, this loan was paid in full.

Note 13 - Subsequent Events

Subsequent events have been evaluated through August 25, 2023, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.