

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT**

**FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**



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**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors and Management  
Rape Crisis Center of Collin County  
dba: The Turning Point  
Plano, Texas

We have audited the accompanying financial statements of Rape Crisis Center of Collin County dba: The Turning Point (a nonprofit organization), which comprise the statements of financial position as of September 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.

### ***Auditors' 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. 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 auditors' 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.

Board of Directors and Management  
Rape Crisis Center of Collin County dba: The Turning Point

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rape Crisis Center of Collin County dba: The Turning Point as of September 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Fort Worth, Texas  
July 13, 2022

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2021 AND 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 447,234	\$ 268,799
Accounts Receivable	27,340	30,278
Grants Receivable	159,740	268,249
Prepays and Other Current Assets	23,769	15,707
Pledges Receivable	27,069	61,632
Total Current Assets	<u>685,152</u>	<u>644,665</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	101,787	101,787
Building and Improvements	606,495	606,495
Equipment	75,839	50,639
Software	975	975
Less: Accumulated Depreciation	(154,447)	(133,415)
Total Property and Equipment	<u>630,649</u>	<u>626,481</u>
Total Assets	<u><u>\$ 1,315,801</u></u>	<u><u>\$ 1,271,146</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 118,653	\$ 127,773
Note Payable - Current Portion	15,533	14,693
Paycheck Protection Program	-	42,713
Total Current Liabilities	<u>134,186</u>	<u>185,179</u>
<b>LONG-TERM LIABILITIES</b>		
Note Payable, Less Current Portion	426,744	442,277
Total Liabilities	<u>560,930</u>	<u>627,456</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	754,871	643,690
Total Net Assets	<u>754,871</u>	<u>643,690</u>
Total Liabilities and Net Assets	<u><u>\$ 1,315,801</u></u>	<u><u>\$ 1,271,146</u></u>

See accompanying Notes to Financial Statements.

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND PUBLIC SUPPORT</b>			
Grants - Federal and State	\$ 985,730	\$ -	\$ 985,730
Grants - Other	35,000	-	35,000
Contributions	81,285	-	81,285
In-Kind Contributions	157,648	-	157,648
Special Events	2,231	-	2,231
SANE Services	565,708	-	565,708
Interest Income	409	-	409
Other Income	14,810	-	14,810
Paycheck Protection Program	42,713	-	42,713
Total Revenue and Public Support	1,885,534	-	1,885,534
<b>EXPENSES</b>			
Program Services	1,453,299	-	1,453,299
General and Administrative	292,305	-	292,305
Fundraising	28,749	-	28,749
Total Expenses	1,774,353	-	1,774,353
<b>CHANGE IN NET ASSETS</b>	111,181	-	111,181
Net Assets - Beginning of Year	643,690	-	643,690
<b>NET ASSETS - END OF YEAR</b>	\$ 754,871	\$ -	\$ 754,871

See accompanying Notes to Financial Statements.

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND PUBLIC SUPPORT</b>			
Grants - Federal and State	\$ 1,009,946	\$ -	\$ 1,009,946
Grants - Other	35,000	147,497	182,497
Contributions	85,474	-	85,474
In-Kind Contributions	93,058	-	93,058
Special Events	6,769	-	6,769
SANE Services	376,956	-	376,956
Interest Income	508	-	508
Miscellaneous Income	7,300	-	7,300
Paycheck Protection Program	157,287	-	157,287
Net Assets Released from Restrictions	214,954	(214,954)	-
<b>Total Revenue and Public Support</b>	<u>1,987,252</u>	<u>(67,457)</u>	<u>1,919,795</u>
<b>EXPENSES</b>			
Program Services	1,504,805	-	1,504,805
General and Administrative	245,289	-	245,289
Fundraising	3,048	-	3,048
<b>Total Expenses</b>	<u>1,753,142</u>	<u>-</u>	<u>1,753,142</u>
<b>CHANGE IN NET ASSETS</b>	234,110	(67,457)	166,653
Net Assets - Beginning of Year	<u>409,580</u>	<u>67,457</u>	<u>477,037</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 643,690</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 643,690</u></u>

See accompanying Notes to Financial Statements.

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
<b>EXPENSES</b>				
Payroll Expense	\$ 1,264,217	\$ 155,088	\$ 26,665	\$ 1,445,970
Conferences and Travel	333	-	-	333
Depreciation Expense	18,740	2,292	-	21,032
Dues and Subscriptions	2,440	-	326	2,766
Fundraising Expense	-	-	150	150
In-Kind Legal	40,277	86,487	-	126,764
Insurance	11,440	1,689	-	13,129
Interest Expense	-	25,173	-	25,173
Marketing and Development	-	1,701	-	1,701
Miscellaneous Expense	12,399	2,263	3	14,665
Occupancy	6,543	1,135	-	7,678
Office Expense	31,613	3,564	1,357	36,534
Payroll Processing	4,806	781	-	5,587
Printing and Postage	7,003	8	-	7,011
Professional Fees	7,189	12,124	-	19,313
Telephone	18,868	-	-	18,868
Other Program Expenses	27,431	-	248	27,679
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Expenses by Function	<u>\$ 1,453,299</u>	<u>\$ 292,305</u>	<u>\$ 28,749</u>	<u>\$ 1,774,353</u>

See accompanying Notes to Financial Statements.



**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2020**

<b>EXPENSES</b>	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll Expense	\$ 1,272,089	\$ 173,605	\$ -	\$ 1,445,694
Conferences and Travel	1,429	-	45	1,474
Depreciation Expense	17,667	1,412	-	19,079
Dues and Subscriptions	1,231	213	150	1,594
In-Kind Legal	53,573	35,645	-	89,218
Insurance	9,792	2,259	-	12,051
Interest Expense	22,907	4,725	-	27,632
Marketing and Development	3,175	-	75	3,250
Miscellaneous Expense	7,723	2,305	1,315	11,343
Occupancy	5,501	1,321	-	6,822
Office Expense	46,736	5,216	1,303	53,255
Payroll Processing	6,113	923	-	7,036
Printing and Postage	5,978	542	43	6,563
Professional Fees	11,833	13,350	110	25,293
Telephone	16,696	1,628	-	18,324
Other Program Expenses	22,362	2,145	7	24,514
 Total Expenses by Function	 <u>\$ 1,504,805</u>	 <u>\$ 245,289</u>	 <u>\$ 3,048</u>	 <u>\$ 1,753,142</u>

See accompanying Notes to Financial Statements.

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 111,181	\$ 166,653
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	21,032	19,079
Donation of Fixed Assets	(25,200)	-
(Increase) Decrease in Assets:		
Accounts Receivable	2,938	57,270
Grants Receivable	108,509	(105,334)
Pledges Receivable	34,563	(43,475)
Prepaid Expenses	(8,062)	(1,307)
Increase (Decrease) in Liabilities:		
AP and Accrued Expenses	(9,120)	52,986
Paycheck Protection Program	(42,713)	42,713
Net Cash Provided by Operating Activities	193,128	188,585
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	-	(9,766)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Long-Term Debt	(14,693)	(13,746)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	178,435	165,073
Cash and Cash Equivalents - Beginning of Year	268,799	103,726
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 447,234	\$ 268,799
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
In-Kind Contributions and Contributed Services	\$ 157,648	\$ 93,058
Cash Paid During the Year for Interest Expense	\$ 25,173	\$ 27,631

See accompanying Notes to Financial Statements.

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities, History, and Organization**

Rape Crisis Center of Collin County dba: The Turning Point (the Organization) is a nonprofit organization, located in Plano, Texas. The Organization was established by a social worker who observed that victims of sexual assault need additional counseling and emotional support beyond the initial crime report. The Organization originated in 1982, in conjunction with the North Texas Medical Center and the McKinney Police Department, to ensure that survivors of sexual assault had a professional support system to help them in their recovery. Since its genesis, the 24-hour Organization has grown to provide a complete range of services for victims of all forms of sexual violence, from a crisis hotline to hospital accompaniment to intensive professional counseling.

In 2002, the Organization began doing business as The Turning Point to emphasize that the services were available to all victims of sexual violence (not just rape) throughout all the North Texas area. The mission of the Turning Point is to provide counseling, education, and advocacy to those impacted by sexual assault.

In 2019, the Organization opened a clinic at their location to provide forensic exams, evidence collection, and advocacy for people who have experienced sexual assault within the last 120 hours. Referrals for counseling, legal services, follow up medical care, and shelter are also available.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Cash and Cash Equivalents**

The Organization's financial instruments, none of which is held for trading purposes, consist of cash and cash equivalents. The Organization considers all highly liquid investments that are redeemable in 90 days or less to be cash and cash equivalents.

**Grant and Pledge Receivables**

The Organization has receivables from grants and other sources. Unconditional pledge receivables that are due more than one year beyond the statement of financial position date are discounted to a net present value using an estimated discount factor for risk-free borrowing. Pledges receivable are considered past due when payments are not made under the terms of the pledge agreement. There were no past due pledges receivable at September 30, 2021 and 2020.

**Allowance for Doubtful Accounts**

Grants and pledges receivable are stated net of an allowance for doubtful accounts. The Organization estimates the allowance based on an analysis of specific donors, taking into consideration the age of past due amounts and an assessment of the donor's ability to pay. The allowance was \$-0- at September 30, 2021 and 2020.

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Property and Equipment**

Property and equipment which are purchased are recorded at historical cost. Donated property and equipment are recorded at their fair value at the date of contribution. Depreciation is recorded using a straight-line approach over 5 to 40 years. The Organization's capitalization policy is to expense property and equipment purchases less than \$5,000. Repairs and maintenance are charged to expense as incurred.

**Net Asset Accounting**

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified 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. These 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions 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.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions of assets other than cash are recorded at their estimated fair value.

**Donated Services and In-Kind Contributions**

Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at their respective fair values of the services received. See Note 10.

**Revenue Recognition**

To determine revenue recognition for the arrangements that the Organization determines are within the scope of Topic 606, the Organization performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligation(s) in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation(s) in the contract, and (5) recognize revenue when the Organization satisfies a performance obligation.

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Revenue Recognition (Continued)**

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue that consists of performance obligations satisfied at a point in time is generally recognized when criteria for the contract have been achieved, or when specific events have occurred, and when there are no additional services related to that obligation.

Contributions, including unconditional pledges receivable, are recorded at their fair value at the date of receipt. All contributions are available for unrestricted use unless specifically restricted by the donor. Donor-restricted contributions whose contributions are met in the same period are classified as without donor restrictions. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Payments received under cost-reimbursable contracts are recorded in the period in which the related services are performed or expenditures are incurred. For contributions with donor-imposed conditions – that is, those with a measurable performance or other barrier and a right of return or release – revenues are recognized at the time the conditions are substantially met, regardless of the timing of cash receipt. The Organization has received conditional contributions totaling \$26,250 that have not been recognized as revenue as the conditions have not yet been met.

The following revenue stream has a medical services performance obligation and is recognized at a point in time, as described below.

**Sexual Assault Forensic Exam (SAFE) Services**

Revenue for SAFE services is recognized at a point in time when the forensic examination is performed. Payments of the exams is through the Crime Victims' Compensation Program through the Office of the Attorney General. Reimbursement of the forensic exams include examiner fees, place of service fee, exam fees, sexual assault kit, laboratory procedures, and certain other charges. There is a reimbursement limit of \$1,000 per exam.

Additionally, the Organization recognizes revenue for medical and advocacy services provided over time in accordance with the contract for services at a specific area hospital.

**Functional Allocation of Expenses**

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain expenses have been allocated among the various programs and supporting services benefited.

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Income Taxes**

Rape Crisis Center of Collin County dba: The Turning Point is organized as a Texas nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from income taxes under Internal Revenue Code (IRC) section 501(a) as an organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Section 170(b)(1)(A)(vi), and has been determined not to be private foundations under IRC Sections 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that is unrelated to its exempt purpose. Management has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

**Advertising Costs**

Advertising costs are expensed as incurred. The Organization incurred \$1,701 and \$3,250 for the years ended September 30, 2021 and 2020, respectively.

**Use of Estimates and General Assumptions**

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates and assumptions primarily relate to allocation of functional expenses. Accordingly, actual results could differ from those estimates.

**Change in Accounting Principle**

In May 2014, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB Accounting Standards Codification (ASC) 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The financial statements reflect the application of ASC 606 guidance beginning in 2020. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Organization's reported historical revenue.

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

**NOTE 2 LIQUIDITY AND AVAILABILITY**

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 as of September 30:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 447,234	\$ 268,799
Accounts Receivable	27,340	30,278
Grants Receivable	159,740	268,249
Pledges Receivable	27,069	61,632
Total	<u>\$ 661,383</u>	<u>\$ 628,958</u>

As part of the Organization's liquidity management plan, cash in excess of daily requirements is placed in an interest-bearing account to maximize the potential for earning a return.

**NOTE 3 GRANTS AND PLEDGES RECEIVABLE**

Grants receivable are due from various government agencies and other granting organizations, are deemed to be fully collectible by management, and consist of the following at:

	<u>2021</u>	<u>2020</u>
Local	\$ -	\$ 19,134
State	68,853	106,403
Federal	52,484	125,652
Other	38,403	17,060
Total Grants Receivable	<u>\$ 159,740</u>	<u>\$ 268,249</u>

Unconditional promises to give of \$27,069 and \$61,632 at September 30, 2021 and 2020, respectively, are expected to be collected in one year or less, and appear as pledges receivable on the statements of financial position.

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and Equipment consists of the following at September 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 101,787	\$ 101,787
Building	606,495	606,495
Office Equipment and Furniture	75,839	50,639
Software	975	975
Less: Accumulated Depreciation	(154,447)	(133,415)
Total Property and Equipment	<u>\$ 630,649</u>	<u>\$ 626,481</u>

**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

**NOTE 4 PROPERTY AND EQUIPMENT (CONTINUED)**

Depreciation expense was \$21,032 and \$19,079 for the years ended September 30, 2021 and 2020, respectively.

**NOTE 5 NOTE PAYABLE**

The note payable consists of one mortgage to a bank in the original amount of \$578,000, dated December 3, 2013, with monthly principal and interest payments of \$3,838. for 60 months at an interest rate of 5.00% and 180 months with interest calculated on the unpaid principal balance using an interest rate based on the five-year FHLBD Rate, plus a margin of 3.000 percentage points. On February 4, 2019, the note was refinanced with a principal balance of \$479,869. Monthly principal and interest payments are \$3,322 for 58 months at an interest rate of 5.5%, \$3,418 for 119 months using an interest rate based on the five-year FHLBD Rate, plus a margin of 3.000 percentage points, with the balance due at maturity using an interest rate based on the five-year FHLBD Rate, plus a margin of 3.000 percentage points. The maturity date is December 3, 2033, and the note is collateralized by real property located in Collin County, Texas with a net book value of \$566,827.

Interest expense was \$25,173 and \$27,631 for the years ended September 30, 2021 and 2020, respectively.

On January 28, 2022, the Organization refinanced the note payable in the amount of \$451,000, with monthly principal and interest payments of \$2,806 for 179 months at an interest rate of 4.24% and one balloon payment estimated at \$154,063. The first payment date is February 2022 and the final balloon payment is due in January 2037. The note is collateralized by real property located in Collin County, Texas.

The remaining principal payments subsequent to September 30, 2021 are as follows and, through January 27, 2022 are based on the original terms, and after that date, are based on the refinanced terms described above:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 15,533
2023	16,422
2024	16,828
2025	17,769
2025	18,868
Thereafter	356,857
Total	<u><u>\$ 442,277</u></u>



**RAPE CRISIS CENTER OF COLLIN COUNTY  
DBA: THE TURNING POINT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

**NOTE 6 LINE OF CREDIT**

The Organization has a line of credit agreement with a borrowing base of \$150,000 that matures on July 8, 2022. Borrowings under this line of credit bear interest at a variable rate, calculated as the Prime Rate plus 1.25% (4.5% at September 30, 2021). No principal is outstanding as of September 30, 2021 and 2020.

**NOTE 7 PAYCHECK PROTECTION PROGRAM**

On April 17, 2020, the Organization received a loan from Frost Bank in the amount of \$200,000 to fund payroll, rent, utilities, and existing mortgage obligations through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for seven months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Loan bears interest at a fixed rate of 1% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. The amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period from April 17, 2020 to October 2, 2020 is the time that the Organization has to spend their PPP Loan funds.

Management has determined that the Organization met the conditions to recognize forgiveness of the note payable in the amount of \$42,713 and \$157,287 as of September 30, 2021 and 2020, respectively, as the Organization had incurred allowable costs as noted above in that amount through year-end. The Organization was notified by Frost Bank on January 13, 2021 that the Small Business Administration had formally forgiven and cancelled the note payable in full.

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

**NOTE 8 RELATED PARTY TRANSACTIONS**

During the years ended September 30, 2021 and 2020, the Organization received contributions from board members and employees totaling \$9,587 and \$12,512, respectively. These amounts are included in contributions on the statements of activities.

During the years ended September 30, 2021 and 2020, the Organization received donated legal services from the firm where a board member works totaling \$126,764 and \$89,218, respectively. These amounts are included in contributions on the statements of activities.

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**NOTE 9 CONTRACT ASSETS AND CONTRACT LIABILITIES**

The Organization's contract assets consist of:

	<u>2021</u>	<u>2020</u>
Accounts Receivable:		
Clinic Fees Receivable	\$ 27,340	\$ 30,278
Total Accounts Receivable	<u>\$ 27,340</u>	<u>\$ 30,278</u>

The Organization did not have any contract liabilities for the years ended September 30, 2021 and 2020.

**NOTE 10 CONTRACT REVENUE**

The Organization's contract revenue consists of the following at September 30:

	<u>2021</u>	<u>2020</u>
Revenue Recognized at a Point in Time:		
SAFE Services	\$ 422,878	\$ 376,956
Revenue Recognized Over Time:		
SANE and Advocate Services	\$ 142,830	\$ 127,497

**NOTE 11 IN-KIND CONTRIBUTIONS**

The Organization occasionally receives in-kind contributions for various services and assets during the year. Fair value of donated services are to be recognized in the financial statements if the services either create or enhance a nonfinancial asset or require specialized skills, are provided by entities or persons possessing those skills, and would be purchased if they were not donated. The estimated values of such in-kind transactions are reflected in the statements of activities at their fair value and are recorded at the time of receipt. In-kind contributions totaled \$157,648 and \$93,058 for the years ended September 30, 2021 and 2020, respectively.

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**NOTE 11 IN-KIND CONTRIBUTIONS (CONTINUED)**

	Program Services	Management and General	Fundraising	Total
<u>September 30, 2021</u>				
Rent	\$ 3,700	\$ -	\$ -	\$ 3,700
Legal Services	40,277	86,487	-	126,764
Supplies	283	-	-	283
Advertising	-	1,701	-	1,701
Total	<u>\$ 44,260</u>	<u>\$ 88,188</u>	<u>\$ -</u>	<u>132,448</u>
Property and Equipment (Capitalized)				25,200
Total				<u>\$ 157,648</u>
<u>September 30, 2020</u>				
Rent	\$ 3,840	\$ -	\$ -	\$ 3,840
Legal Services	53,573	35,645	-	89,218
Total	<u>\$ 57,413</u>	<u>\$ 35,645</u>	<u>\$ -</u>	<u>\$ 93,058</u>

The Organization also receives daily support from the general public of the surrounding communities to staff the 24-hour crisis help line, provide advocacy, and other various office duties. These donated services have not been reflected in the accompanying financial statements because they did not meet the criteria for recognition. Management estimates that the fair value of the donated services received but not recognized as revenues was \$329,690 and \$149,805 for the years ended September 30, 2021 and 2020, respectively.

**NOTE 12 RETIREMENT PLAN**

During the year ended September 30, 2020, the Organization established a retirement plan for employees. All full-time employees may participate in the 403(b) retirement plan administered by a third party. Employees may contribute the maximum amount allowed by law. The Organization does not have a set percentage amount to match employee contributions; rather, it is at the discretion of management and the board of directors. During the years ended September 30, 2021 and 2020, contributions to the plan by the Organization were 2% and 2.5% of each employee's annual salary respectively. Contributions to the plan by the Organization totaled \$14,514 and \$18,226 for the years ended September 30, 2021 and 2020, respectively.

**NOTE 13 FUNCTIONALIZED EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and benefits are allocated based on management estimates of time allocated to cost-reimbursement grants and administrative time. Grant-reimbursable costs are 100% program (directly allocable), while remaining indirect expenses are allocated based on what is available to charge to cost-reimbursement grants.

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**NOTE 14 CONCENTRATION OF CREDIT RISK**

During the years ended September 30, 2021 and 2020, approximately 52% and 53%, respectively, of support and revenue is received from and administered by federal and state grants. Continued funding from these sources at current levels is dependent upon various factors. Such factors include economic conditions, compliance with grant provisions, continued government approval, new legislation, donor satisfaction, and public perception of mission effectiveness and relative importance. Collection of receivables and ongoing revenue generation is dependent, in part, upon the economic conditions of this area.

**NOTE 15 COMMITMENTS AND CONTINGENCIES**

During the year ended September 30, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 impacted various parts of its 2020 and 2021 operations and financial results, including, but not limited to, potential loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events have continued and are still developing subsequent to year-end.

**NOTE 16 NEW ACCOUNTING PRONOUNCEMENT**

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). Under its core principle, a lessee will recognize right-of-use assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. This new standard will be effective for fiscal years beginning after December 15, 2021.

The Organization is currently assessing the impact that adopting the new guidance will have on the financial statements.

**NOTE 17 SUBSEQUENT EVENTS**

In preparing the financial statements, management has evaluated all subsequent events and transactions for potential recognition or disclosure through July 13, 2022, the date the financial statements were available to be issued.

See Note 5 for discussion of note payable refinanced on January 28, 2022.