

Rape Crisis Center of Collin County dba The Turning Point

**Financial Statements
September 30, 2023 and 2022**



Rape Crisis Center of Collin County dba The Turning Point

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Independent Auditors' Report

To the Board of Directors of
Rape Crisis Center of Collin County dba The Turning Point

Opinion

We have audited the accompanying financial statements of Rape Crisis Center of Collin County dba The Turning Point (Organization) (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2023 and 2022, 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 (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance GAAP, 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.

Auditors' Responsibility for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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 GAAS 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 GAAS, we:

- 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 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 our 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.

We are 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 we identified during the audit.

A handwritten signature in black ink that reads "Sutton Frost Cary". The signature is written in a cursive, flowing style.

A Limited Liability Partnership

Arlington, Texas
December 12, 2024

Rape Crisis Center of Collin County dba The Turning Point

Statements of Financial Position

September 30, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 371,131	\$ 386,581
Grants receivable	396,169	378,488
Pledges receivable	26,155	-
Prepaid expenses	5,143	18,000
Total current assets	798,598	783,069
Property and equipment, net	589,008	615,323
Total assets	<u>\$ 1,387,606</u>	<u>\$ 1,398,392</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 178,553	\$ 133,970
Refundable advance	-	25,000
Note payable, current portion	16,104	15,420
Total current liabilities	194,657	174,390
Note payable, net	401,571	421,683
Total liabilities	596,228	596,073
Net assets:		
Net assets without donor restrictions	791,378	802,319
Total liabilities and net assets	<u>\$ 1,387,606</u>	<u>\$ 1,398,392</u>

See notes to financial statements.

Rape Crisis Center of Collin County dba The Turning Point

Statements of Activities

Years Ended September 30, 2023 and 2022

	2023	2022
Net assets without donor restrictions:		
Support and revenue:		
Federal, state and local grants	\$ 1,534,644	\$ 1,305,078
Other grants	80,500	48,950
Contributions of financial assets	101,901	92,561
Contributions of nonfinancial assets	99,156	81,770
Sexual assault nurse examiner services	351,520	365,967
Interest income	1,024	353
Other income	3,380	4,102
Total support and revenue	2,172,125	1,898,781
Expenses:		
Program services	1,906,202	1,665,536
General and administrative	275,743	167,489
Fundraising	1,121	30,360
Total expenses	2,183,066	1,863,385
Change in net assets from operations	(10,941)	35,396
Nonoperating activity:		
Gain on involuntary conversion	-	12,756
Loss on disposal of property and equipment	-	(704)
Total nonoperating income	-	12,052
Change in net assets	(10,941)	47,448
Net assets at beginning of year	802,319	754,871
Net assets at end of year	\$ 791,378	\$ 802,319

See notes to financial statements.

Rape Crisis Center of Collin County dba The Turning Point
Statement of Functional Expenses
Year Ended September 30, 2023

	Program Services	General and Administrative	Fundraising	Total
Salaries, taxes and benefits	\$ 1,528,670	\$ 190,953	\$ -	\$ 1,719,623
Advertising and promotion	588	-	-	588
Conferences and travel	21,795	1,369	30	23,194
Depreciation	24,040	2,275	-	26,315
Dues and subscriptions	2,645	534	370	3,549
Facility	15,475	88	-	15,563
Occupancy	62,575	10,104	-	72,679
Office	31,016	4,362	-	35,378
Other	655	1,052	319	2,026
Program supplies	81,808	3,871	402	86,081
Professional fees	126,399	61,075	-	187,474
Utilities	10,536	60	-	10,596
Total expenses	\$ 1,906,202	\$ 275,743	\$ 1,121	\$ 2,183,066

See notes to financial statements.

Rape Crisis Center of Collin County dba The Turning Point
Statement of Functional Expenses
Year Ended September 30, 2022

	Program Services	General and Administrative	Fundraising	Total
Salaries, taxes and benefits	\$ 1,375,960	\$ 127,647	\$ 29,081	\$ 1,532,688
Advertising and promotion	1,905	-	-	1,905
Conferences and travel	10,110	64	-	10,174
Depreciation	24,380	2,998	-	27,378
Dues and subscriptions	2,646	534	150	3,330
Facility	14,748	524	-	15,272
Occupancy	35,048	10,751	-	45,799
Office	25,288	3,619	-	28,907
Other	5,392	7,377	11	12,780
Program supplies	40,474	679	1,118	42,271
Professional fees	119,490	13,213	-	132,703
Utilities	10,095	83	-	10,178
Total expenses	\$ 1,665,536	\$ 167,489	\$ 30,360	\$ 1,863,385

See notes to financial statements.

Rape Crisis Center of Collin County dba The Turning Point

Statements of Cash Flows

Years Ended September 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (10,941)	\$ 47,448
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	26,315	27,378
Gain on involuntary conversion	-	(12,756)
Loss on disposal of property and equipment	-	704
Changes in assets and liabilities:		
Accounts receivable	-	27,340
Grants receivable	(17,681)	(218,748)
Pledges receivable	(26,155)	27,069
Prepaid expenses	12,857	5,769
Accounts payable and accrued expenses	44,583	15,317
Refundable advance	(25,000)	25,000
Net cash provided (used) by operating activities	3,978	(55,479)
Cash flows from investing activities:		
Purchases of property and equipment	-	(72,226)
Proceeds from involuntary conversion	-	72,226
Net cash used by investing activities	-	-
Cash flows from financing activities:		
Proceeds from issuance of note payable	-	12,508
Payments on note payable	(19,428)	(17,682)
Net cash used by financing activities	(19,428)	(5,174)
Net decrease in cash and cash equivalents	(15,450)	(60,653)
Cash and cash equivalents at beginning of year	386,581	447,234
Cash and cash equivalents at end of year	\$ 371,131	\$ 386,581
Supplemental disclosure of non-cash financing activity:		
Refinance of note payable through issuance of note payable	\$ -	\$ 438,492

See notes to financial statements.

Rape Crisis Center of Collin County dba The Turning Point

Notes to Financial Statements

1. Organization

Rape Crisis Center of Collin County dba The Turning Point (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 have 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 Organization 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.

The Organization is primarily supported by government grants, as well as grants and contributions from individuals, foundations and other organizations.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation

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 not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Rape Crisis Center of Collin County dba The Turning Point

Notes to Financial Statements

Net assets with donor restrictions - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time. As of September 30, 2023 and 2022, no such net asset restrictions existed.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of net assets with 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.

Financial Instruments and Credit and Market Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash and cash equivalents and grants and pledges receivable. The Organization maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2023, the uninsured balance totaled \$77,501.

Grants and pledges receivable are unsecured and are due from various donors and grantors and are expected to be collectable in one year or less. The Organization continually evaluates the collectability of grants and pledges receivable and maintains allowances for potential losses, if considered necessary. As of September 30, 2023 and 2022, no allowance was considered necessary.

During the years ended September 30, 2023 and 2022, approximately 56% and 53%, respectively, of total support and revenue was 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 is dependent, in part, upon the economic conditions of the area. At September 30, 2023, balances due from three governmental agencies totaled 82% of total grants receivable. At September 30, 2022, balances due from three governmental agencies totaled 86% of total grants receivable.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with a maturity of three months or less when purchased to be a cash equivalent.

Rape Crisis Center of Collin County dba The Turning Point

Notes to Financial Statements

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost or if acquired by gift, at the fair value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000; the fair value of donated property and equipment is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of 5-40 years.

Impairment of Long-Lived Assets

Management of the Organization periodically reviews the carrying value of its long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized to the extent fair value of a long-lived asset is less than the carrying amount. Fair value is determined based on the estimated future cash inflows attributable to the asset less estimated future cash outflows. No such losses were recognized during the years ended September 30, 2023 and 2022.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to meeting measurable performance or other barriers are reported as refundable advances, which totaled \$25,000 at September 30, 2022. There were no refundable advances at September 30, 2023.

A portion of the Organization's revenue is derived from cost-reimbursable contract and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. The Organization has been awarded cost reimbursable grants totaling \$417,960 and \$440,623, at September 30, 2023 and 2022, respectively, that have not been recognized as revenue because qualifying expenditures have not yet been incurred.

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Notes to Financial Statements

Revenue for Sexual Assault Forensic Exam (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 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.

The Organization recognizes contribution revenue for certain services received at fair value of these services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Contributed nonfinancial assets are recognized as at the estimated fair value at the date of receipt by the Organization.

Federal Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and has not been classified as a private foundation as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no unrelated business income for the years ended September 30, 2023 and 2022. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax return and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of September 30, 2023 and 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Allocation of Functional Expenses

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

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Notes to Financial Statements

Advertising Costs

Advertising costs are expensed as incurred. For the years ended September 30, 2023 and 2022, advertising costs totaled \$588 and \$1,905, respectively.

Estimates and Assumptions

The preparation of financial statements in conformity with GAAP 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 estimated.

3. Property and Equipment

Property and equipment consist of the following at September 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 101,787	\$ 101,787
Building	531,769	531,769
Office equipment and furniture	<u>148,065</u>	<u>148,065</u>
Total property and equipment	781,621	781,621
Less: accumulated depreciation	<u>(192,613)</u>	<u>(166,298)</u>
Total property and equipment, net	<u><u>\$ 589,008</u></u>	<u><u>\$ 615,323</u></u>

Depreciation expense totaled \$26,315 and \$27,378 for the years ended September 30, 2023 and 2022, respectively.

4. Note Payable

On January 28, 2022, the Organization refinanced a 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 at maturity. The final balloon payment is due in January 2037. The note is collateralized by property located in Collin County, Texas. On September 30, 2023 and 2022, the balance on the note payable totaled \$417,675 and \$437,103, respectively.

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Notes to Financial Statements

The remaining principal payments are as follows for the years ending September 30:

2024	\$	16,104
2025		16,800
2026		17,526
2027		18,284
2028		19,075
Thereafter		<u>329,886</u>
Total	\$	<u>417,675</u>

5. Line of Credit

The Organization had a line of credit agreement with a borrowing base of \$150,000 that matured on June 24, 2023. The Organization renewed the line of credit agreement on July 21, 2023 with a maturity date of July 19, 2024. Borrowings under the line of credit bear interest at a variable rate, calculated as the Prime Rate plus 0.75% (8.5% at September 30, 2023). No principal is outstanding on the line of credit at September 30, 2023 or 2022.

6. Related Party Transactions

During the years ended September 30, 2023 and 2022, the Organization received contributions from board members and employees totaling \$5,650 and \$16,450, respectively. During the years ended September 30, 2023 and 2022, the Organization received donated legal services from the firm where a board member is employed with values totaling \$88,160 and \$73,608, respectively.

Rape Crisis Center of Collin County dba The Turning Point
Notes to Financial Statements

7. Contributions of Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets during the years ended September 30:

	Program Services	
	2023	2022
Goods	\$ 1,000	\$ 1,125
Services	93,606	74,842
Food	250	1,503
Rent	4,300	4,300
	<u>\$ 99,156</u>	<u>\$ 81,770</u>

Goods

Contributed goods are valued based on the fair market value of similar goods.

Services

Contributed services are recognized based on the type of service donated. Donated services are reported at retail service costs, which approximates fair value.

Food

Donated food is reported at fair value using retail prices.

Rent

Rent is valued based on the price per square foot of comparable space based on fair market value.

There were no donor restrictions on the contributions of nonfinancial assets received during the years ended September 30, 2023 and 2022.

Rape Crisis Center of Collin County dba The Turning Point

Notes to Financial Statements

8. Retirement Plan

The Organization established a 403(b) retirement plan for its full-time employees, whereby the Organization can make discretionary contributions to the plan. During the years ended September 30, 2023 and 2022, contributions to the plan by the Organization were 6% of each employee's annual salary. The Organization's contributions totaled \$33,352 and \$28,904 for the years ended September 30, 2023 and 2022, respectively.

9. Liquidity and Availability of Resources

The Organization's financial assets available to meet cash needs for general expenditures within one year are as follows at September 30:

	2023	2022
Cash and cash equivalents	\$ 371,131	\$ 386,581
Grants receivable	396,169	378,488
Pledges receivable	26,155	-
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 793,455</u>	<u>\$ 765,069</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.

10. Subsequent Events

On July 8, 2024 the Organization renewed the line of credit agreement with a maturity date of July 8, 2026.

Management has evaluated subsequent events through December 12, 2024, the date which the consolidated financial statements were available to be issued and concluded that no additional disclosures are required.