

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
Year Ended June 30, 2023
(With Summarized Totals as of June 30, 2022)

TABLE OF CONTENTS

Description	Page
Independent Auditors' Report	1 – 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 17



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
A C C A, Inc.
(Annandale Christian Community for Action)

Opinion

We have audited the accompanying financial statements of A C C A, Inc. (Annandale Christian Community for Action) (ACCA) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 A C C A, Inc. (Annandale Christian Community for Action) as of June 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of A C C A, Inc. (Annandale Christian Community for Action) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 A C C A, Inc. (Annandale Christian Community for Action)'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

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 auditor's 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 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, 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 A C C A, Inc. (Annandale Christian Community for Action)'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 A C C A, Inc. (Annandale Christian Community for Action)'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.

Report on Summarized Comparative Information

We have previously audited A C C A, Inc. (Annandale Christian Community for Action)'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 3, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bethesda, Maryland
February 22, 2024



A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
STATEMENT OF FINANCIAL POSITION
June 30, 2023
(WITH SUMMARIZED TOTALS AS OF JUNE 30, 2022)

	2023			2022 (Summarized)
	Child Development Center	Human Service Ministries	Total	Total All Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,458,950	\$ 922,385	\$ 2,381,335	\$ 2,325,121
Accounts receivable	585,622	-	585,622	401,209
Inventory	-	26,178	26,178	29,741
Prepaid expenses	73,461	-	73,461	28,092
Total current assets	2,118,033	948,563	3,066,596	2,784,163
INVESTMENTS	-	56,932	56,932	56,972
NOTES RECEIVABLE	-	15,117	15,117	17,754
LEASEHOLD IMPROVEMENTS	127,785	-	127,785	93,779
PROPERTY AND EQUIPMENT, NET	262,870	-	262,870	344,446
 Total assets	 \$ 2,508,688	 \$ 1,020,612	 \$ 3,529,300	 \$ 3,297,114
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 65,382	\$ 54	\$ 65,436	\$ 74,410
Accrued expenses	171,606	-	171,606	262,467
Deferred revenue	44,024	-	44,024	-
Coronavirus Relief Fund Advances	-	420,500	420,500	165,704
Escrow payable	-	7,999	7,999	7,749
Total current liabilities	281,012	428,553	709,565	510,330
NET ASSETS				
Without donor restrictions:				
Undesignated	2,227,676	251,643	2,479,319	2,335,320
Designated by Board	-	317,038	317,038	398,959
Total without donor restrictions	2,227,676	568,681	2,796,357	2,734,279
With donor restrictions	-	23,378	23,378	52,505
Total net assets	2,227,676	592,059	2,819,735	2,786,784
 Total liabilities and net assets	 \$ 2,508,688	 \$ 1,020,612	 \$ 3,529,300	 \$ 3,297,114

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

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	2023				2022
					(Summarized)
	Without Donor Restrictions		With Donor Restrictions		
	Child		Human Service		
	Development	Human Service	Human Service		
	Center	Ministries	Ministries	Total	Total
REVENUE AND OTHER SUPPORT					
Tuition					
Parent fees	\$ 570,097	\$ -	\$ -	\$ 570,097	\$ 439,572
Parental subsidy - Government	3,362,162	-	-	3,362,162	3,037,542
Contributions					
Churches	-	129,574	-	129,574	130,164
Individual	20,877	294,079	250	315,206	298,620
Organizations	-	39,751	-	39,751	52,783
Grants					
Fairfax County QAP	18,175	-	-	18,175	15,575
Virginia Preschool Initiative	62,057	-	-	62,057	104,333
Fairfax County CCFP	-	-	-	-	94,385
Coronavirus Relief Funds	-	135,976	-	135,976	2,750,540
Emergency Food & Shelter Program	-	467,057	-	467,057	-
United States Department of Agriculture	198,096	-	-	198,096	170,047
Other Organizations and Businesses	481,503	15,000	-	496,503	564,142
In-kind support	551,540	179,727	-	731,267	651,781
Investment income (loss)	638	986	-	1,624	1,516
Other revenue	4,611	-	-	4,611	20,367
Net assets released from restrictions	-	29,377	(29,377)	-	-
Total revenue and other support	5,269,756	1,291,527	(29,127)	6,532,156	8,331,367
EXPENSES					
Program services	4,382,333	1,313,111	-	5,695,444	7,427,218
Management and general	773,108	30,654	-	803,762	698,084
Total expenses	5,155,440	1,343,765	-	6,499,205	8,125,302
CHANGE IN NET ASSETS	114,316	(52,238)	(29,127)	32,951	206,065
Net Assets - beginning of year	2,089,360	644,919	52,505	2,786,784	2,580,718
Transfers, net	24,000	(24,000)	-	-	-
NET ASSETS - END OF YEAR	<u>\$ 2,227,676</u>	<u>\$ 568,681</u>	<u>\$ 23,378</u>	<u>\$ 2,819,735</u>	<u>\$ 2,786,783</u>

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

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	2023						2022 (Summarized)	
	Program Services			Management and General			Total	Total All Funds
	Child		Total Program	Child		Management and		
	Development	Human Service		Development	Human Service			
Center	Ministries	Services	Center	Ministries	General	Total		
Salaries	\$ 2,466,051	\$ -	\$ 2,466,051	\$ 435,186	\$ -	\$ 435,186	\$ 2,901,237	\$ 2,535,130
Payroll and other taxes	182,516	-	182,516	32,209	-	32,209	214,725	185,852
Employee benefits	343,443	-	343,443	60,608	-	60,608	404,051	416,291
Food	273,139	-	273,139	55,760	-	55,760	328,899	227,670
Bank and services charges	-	-	-	129	271	400	400	645
Materials, equipment, and supplies	142,277	-	142,277	10,572	737	11,309	153,586	143,828
Repairs and maintenance	78,458	-	78,458	13,846	-	13,846	92,304	74,939
Rent and custodial	72,203	-	72,203	12,742	-	12,742	84,945	59,842
Insurance	13,174	-	13,174	2,325	3,000	5,325	18,499	14,926
Contracted services	31,001	-	31,001	-	-	-	31,001	10,072
Professional development	38,919	-	38,919	6,868	-	6,868	45,787	35,842
Temporary help	-	-	-	-	1,185	1,185	1,185	3,269
Dues and registration	11,336	-	11,336	2,000	-	2,000	13,336	23,739
Telephone and postage	10,101	-	10,101	2,355	1,725	4,080	14,181	17,122
Printing and equipment rental	26,164	-	26,164	4,617	-	4,617	30,781	29,263
Legal and accounting	-	-	-	24,769	22,603	47,372	47,372	40,928
Miscellaneous	55,212	8,000	63,212	10,683	1,133	11,816	75,030	64,093
Scholarship	18,466	-	18,466	-	-	-	18,466	45,991
In-kind support	468,809	-	468,809	82,731	-	82,731	551,540	523,963
Depreciation	89,007	-	89,007	15,707	-	15,707	104,714	82,160
VPI expense	62,057	-	62,057	-	-	-	62,057	104,333
Assistance to individuals :								
Family emergency	-	978,695	978,695	-	-	-	978,695	3,239,314
Housing	-	9,000	9,000	-	-	-	9,000	8,750
Furniture	-	47,503	47,503	-	-	-	47,503	45,218
Food and nutrition	-	241,088	241,088	-	-	-	241,088	162,170
Scholarship	-	16,000	16,000	-	-	-	16,000	16,000
Homework club	-	12,825	12,825	-	-	-	12,825	13,952
Total Expenses	\$ 4,382,333	\$ 1,313,111	\$ 5,695,444	\$ 773,108	\$ 30,654	\$ 803,762	\$ 6,499,207	\$ 8,125,302

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

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Tuition fees and subsidies	\$ 3,958,755	\$ 3,493,023
Contributions	484,531	481,568
Grants	1,465,775	2,551,497
Investment income (loss)	1,624	1,516
Other revenue	4,611	20,367
Total receipts	5,915,296	6,547,971
Disbursements	5,804,865	7,305,137
Net cash used by operating activities	110,431	(757,166)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(57,144)	(198,632)
Purchase of investments	-	117,177
Sales/maturities of investments	40	465
Net cash used by investing activities	(57,104)	(80,990)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments received on note	2,637	2,283
Escrow payable/receivable	250	2,531
Net cash provided by financing activities	2,887	4,814
NET CHANGE IN CASH AND CASH EQUIVALENTS	56,214	(833,342)
Cash and cash equivalents, beginning of year	2,325,121	3,158,463
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,381,335	\$ 2,325,121

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

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

1. Organization

A C C A, Inc. (Annandale Christian Community for Action) (ACCA) is a nonprofit corporation organized in 1967 under the laws of the Commonwealth of Virginia to promote and sponsor Christian social action in the Annandale, VA area. ACCA is governed by a Board of Directors (Board) consisting of the corporation's officers and representatives from area member churches. ACCA operates the Child Development Center, with paid staff, to provide day care and early childhood education for its infant, toddler, and preschool children from primarily low-income families. ACCA also operates the all-volunteer Human Services Ministries to provide financial assistance for needy family emergencies, food and furniture deliveries, housing renovations, and scholarships in accordance with Board-approved budgets, policies, and procedures. ACCA is supported by contributions from individuals, Annandale area churches, and private foundations; subsidies and in-kind contributions from Fairfax County, VA; and federal and state grants.

2. Summary of Significant Accounting Policies

Basis of Presentation

ACCA prepares its financial statements in accordance with U.S. generally accepted accounting principles. Revenue is recognized when earned and expenses when the obligations are incurred.

Income Tax Status

ACCA is exempt from the payment of federal income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined that ACCA is not a private foundation.

ACCA has adopted the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The adoption of this standard had no impact on ACCA's financial statements. ACCA files as a tax-exempt organization and is not aware of any activities that would jeopardize its tax-exempt status.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ACCA's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

2. Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of interest-bearing checking accounts, saving accounts, and money market accounts. Cash equivalents have a maturity of three months or less when purchased.

Accounts Receivable

Tuition fees receivable from parents are considered past due if payments are not received within 30 days of the invoice date. ACCA currently does not charge any interest or finance charges for past due invoices. The provision for doubtful accounts is based on management's evaluation of the collectability of existing receivables. Government receivables are primarily due from Fairfax County for the tuition subsidy and recorded when earned.

Inventory

Inventory consists primarily of donated food and is recorded using estimated fair value when received.

Investments

Investments are recorded at fair value.

Fair Value Hierarchy

ACCA has categorized its financial instruments, based on the priority of the inputs on to the valuation techniques, into a three-level fair hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level inputs that are significant to the fair value measurement of the instrument.

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

2. Summary of Significant Accounting Policies (continued)

Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that ACCA has the ability to access. These include investments that are recorded at fair value on a recurring basis and fair value measurement is based upon quoted prices, if available. Securities valued using Level 1 inputs include traded on active exchanges (such as the New York Stock Exchange), as well as U.S Treasury and other exchange traded securities.

Level 2 – Financial assets and liability whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment which ranges from 5 to 15 years. ACCA capitalizes items with an original purchase price, or fair market value at the time of donation, of at least \$500 for the years ended June 30, 2023 and 2022, and a useful life of more than one year. Maintenance and repairs are expenses as incurred.

Net Assets

Net asset and changes therein are classified into the following categories:

Without Donor Restrictions

Undesignated – represent funds available for general operations and are not subject to donor-imposed restrictions.

Designated by Board – represent funds designated by Board of directors for specific purposes.

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

2. Summary of Significant Accounting Policies (continued)

Net Assets (continued)

With Donor Restrictions

Represents resources received by ACCA that are specifically time-restricted or restricted by donors for various programs.

Donor restricted contributions received supporting future years 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 activities.

Revenue Recognition

Contributions from area churches, individuals, and organizations are recorded when received. Contributions with donor-imposed restrictions are reported as with donor restrictions support except for donor-restricted contributions are met in the same reporting period are reported as without donor restrictions support. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Tuition revenue is recognized when earned (point over time). Parent fees are billed weekly for childcare based on a sliding scale of family income (point over time). Parental tuition subsidies from Fairfax County are recorded based on children attendance for eligible parents (point over time). Any amount received in advance of services are recorded as deferred revenue.

Gifts in Kind

ACCA recognizes in-kind support only if professional services received (a) create or enhance long-lived assets or (b) require specialized skills, provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Most services received by ACCA do not meet these criteria. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses or assets.

Rent and utilities is estimated based on a comparable rental market analysis prepared by a real estate professional who operates in the market areas of the properties. Donated food is estimated based on the national average prices for pounds of food. Donated furniture is estimated based on the current Valuation Guide for Goodwill Donors.

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing various programs and supporting activities have been summarized on a functional basis in the financial statements. Expenses are allocated among the programs and supporting services based on the functions they directly benefit or upon management's estimates of the proportion of the expenses applicable to each function. General and administrative expenses have been allocated to the programs and supporting services proportionately based on direct personnel costs.

Interfund Transfers

The Human Services Ministries shares donations with the Child Development Center through the annual budget process. These amounts are treated as interfund transfers and are eliminated in the financial statements. Total support from the Human Service Ministries to the Child Development Center was \$24,000 and \$58,335 for the years ended June 30, 2023 and 2022, respectively.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Non-operating activities are limited to resources that generate return from other activities considered to be of a more unusual or nonrecurring nature. All activities for the years ended June 30, 2023 and 2022, were operating in nature.

Subsequent Events

In preparing these financial statements, ACCA has evaluated events and transactions for potential recognition or disclosure through February 22, 2024, the date the financial statements were available to be issued.

3. Concentrations of Risk

Credit Risk

Financial instruments which subject ACCA to a concentration of credit risk consist of demand deposits placed with financial institutions. At times during the year, ACCA had funds invested with local financial institutions in excess of the Federal Deposit Insurance Corporation limits.

Market Value Risk

ACCA invests in diversified investments. These investments are exposed to various risks, such as fluctuations in market value and credit risk. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

4. Liquidity and Availability

ACCA routinely monitors liquidity for operations in accordance with its financial policies. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, are made up as noted below with the amount restricted for the Legacy Fund. Although the Board does not intend to spend from its Legacy Fund other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from the Legacy Fund could be made available if necessary.

	2023	2022
Cash and cash equivalents	\$ 2,381,335	\$ 2,325,121
Accounts receivable	585,622	401,209
Investments	56,932	56,972
Total	3,023,889	2,783,302
Less: net assets with donor restrictions	(23,379)	(52,505)
Less: board designated legacy fund assets	(317,038)	(398,959)
Total	\$ 2,683,472	\$ 2,331,838

5. Accounts Receivable

A summary of amounts included in accounts receivable at June 30, 2023 and 2022, is as follows:

	2023	2022
Parental subsidy - Fairfax County	\$ 264,780	\$ 203,575
United States Department of Agriculture	52,719	14,279
Passthrough grants	225,716	180,458
Other	42,407	2,897
Total accounts receivable	\$ 585,622	\$ 401,209

There was no allowance for uncollectible accounts receivable as of June 30, 2023 and 2022.

6. Inventory

Inventory consists of the following at June 30:

	2023	2022
Food	\$ 21,106	\$ 24,146
Furniture	5,072	5,595
Total inventory	\$ 26,178	\$ 29,741

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

7. Investments

Investments consist of the following at June 30:

	2023	2022
Money market fund	\$ 56,932	\$ 56,972
Total investments	\$ 56,932	\$ 56,972

Investment (loss) income for the years ended June 30, 2023 and 2022, is comprised of the following:

	2023	2022
Interest and dividends from investments	\$ 629	\$ 470
Interest from note receivable	995	1,046
Total investment income (loss)	\$ 1,624	\$ 1,516

8. Fair Value Measurements

The following table presents ACCA's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2023 and 2022:

	June 30, 2023			
	Total	Level 1	Level 2	Level 3
Investments				
Money market fund	\$ 56,932	\$ 56,932	\$ -	\$ -
Certificates of deposit	40	-	40	-
Total	\$ 56,972	\$ 56,932	\$ 40	\$ -
	June 30, 2022			
	Total	Level 1	Level 2	Level 3
Investments				
Money market fund	\$ 56,972	\$ 56,972	\$ -	\$ -
Certificates of deposit	465	-	465	-
Total	\$ 57,437	\$ 56,972	\$ 465	\$ -

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

9. Property and Equipment

A summary of property and equipment at June 30, 2023, is as follows:

	June 30, 2023			
	Cost	Accumulated depreciation	Net cost	Depreciation expense
Child Development Center				
Equipment and furniture	\$ 793,162	\$ 515,966	\$ 277,196	\$ 104,714
Leasehold Improvements	127,785	14,326	113,459	
Human Service Ministries				
Vehicles	<u>36,271</u>	<u>36,271</u>	-	-
Total	<u>\$ 957,218</u>	<u>\$ 566,563</u>	<u>\$ 390,655</u>	<u>\$ 104,714</u>
	June 30, 2022			
	Cost	Accumulated depreciation	Net cost	Depreciation expense
Child Development Center				
Equipment and furniture	\$ 770,024	\$ 423,224	\$ 346,800	\$ 82,160
Leasehold Improvements	93,779	2,354	91,425	
Human Service Ministries				
Vehicles	<u>36,271</u>	<u>36,271</u>	-	-
Total	<u>\$ 900,074</u>	<u>\$ 461,849</u>	<u>\$ 438,225</u>	<u>\$ 82,160</u>

10. Coronavirus Aid, Relief, and Economic Security (CARES) Act

In May 2020, ACCA received \$3,120,000 from the CARES Act Direct Assistance Supplementary Fund Program. The contract with Fairfax County Virginia, provides up to \$2,945,516 of direct assistance payments with the remainder covering administrative costs of ACCA. Revenue is recognized as assistance payments are made as directed by the County. At June 30, 2023, approximately \$420,500 of deferred revenue remained, with payments expected to continue through September 30, 2023.

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

11. Net Assets Without Donor Restrictions Designated by Board

The Board of Directors formed the Legacy Fund to designate certain contributions to benefit the poor of the community through programs and services deemed appropriate by ACCA. These funds will be used for Board-approved projects over a 10-year period.

Activities of the Legacy Fund at June 30, 2023 and 2022, consisted of the following:

	2023	2022
Balance - beginning of year	\$ 398,959	\$ 523,830
Support approved	(81,921)	(124,871)
Balance - end of year	\$ 317,038	\$ 398,959

12. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2023 and 2022, consisted of funds for the following purposes:

	July 1, 2022	Additions	Releases	June 30, 2023
Scholarship - Ruffing	\$ 9,696	\$ 250	\$ -	\$ 9,946
Rebuilding Together	1,226	-	(1,226)	-
Nutrition and Hygiene	28,151	-	(28,151)	-
Furniture - Crib Fund	9,298	-	-	9,298
Furniture - Fuel	2,534	-	-	2,534
Infrastructure	1,600	-	-	1,600
Total	\$ 52,505	\$ 250	\$ (29,377)	\$ 23,378

	July 1, 2021	Additions	Releases	June 30, 2022
Scholarship - Ruffing	\$ 10,056	\$ -	\$ (360)	\$ 9,696
Rebuilding Together	4,596	-	(3,370)	1,226
Nutrition and Hygiene	34,111	-	(5,960)	28,151
Furniture - Crib Fund	9,298	-	-	9,298
Furniture - Fuel	2,534	-	-	2,534
Infrastructure	1,600	-	-	1,600
Total	\$ 62,195	\$ -	\$ (9,690)	\$ 52,505

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

13. In-Kind Support

ACCA receives various types of in-kind support, including facilities, food, furniture, and professional services. A summary of in-kind support received by type for the years ended June 30, 2023 and 2022, is as follows:

	2023	2022
Rent and utilities	\$ 551,540	523,963
Donated food	166,017	115,071
Donated furniture	7,710	6,747
Donated other	6,000	6,000
Total	\$ 731,267	\$ 651,781

14. Pension Plan

ACCA has a 403(b) plan agreement which is available for employees who are 18 or older, and have worked greater than 1,000 hours or one year of service. The plan allows for a discretionary employer match. Retirement plan expense for the years ended June 30, 2023 and 2022, is for \$22,051 and \$21,654, respectively.

15. Leased Facilities

The Child Development Center operates at 7200 Columbia Pike, Annandale, Virginia. The preschool day care activities are housed in a former elementary school where approximately 11,500 square feet of space is leased from Fairfax County for rental of \$627 per month, including all utilities. The lease agreement executed August 26, 1980, does not specify any fixed terms but provides that the County Board of Supervisors may adjust all terms and conditions of the lease upon 120 days written notice. The infant and toddler day care, consisting of approximately 6,000 square feet of space which ACCA began leasing from Fairfax County on October 1, 1991. The lease provides for free rent and utilities and for automatic renewal on a yearly basis unless 90 days written notice is given by either party. ACCA's total rent and custodial expense was \$636,485 and \$583,805 for the years ended June 30, 2023 and 2022, respectively.

The fair value of free rent component has been recorded in the accompanying financial statements as in-kind support and in-kind expense, estimated at \$20 and \$19 square foot per year for the years ended June 30, 2023 and 2022, respectively, less the actual amount of rent and custodial expenses paid by ACCA.

A C C A, INC.
(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

16. Economic Dependency and Concentration of Revenue

The operation of ACCA is dependent to a significant extent on continuing contributions from area churches and by future funding from Fairfax County and the United States Department of Agriculture. ACCA received 51% and 36% of total revenue directly from Fairfax County for parental tuition subsidies for the years ended June 30, 2023 and 2022, respectively. ACCA also received 8% and 6% of total revenue directly from Fairfax County for in-kind rent and utilities for the years ended June 30, 2023 and 2022, respectively. In addition, ACCA received 2% and 33% of total revenue through the Coronavirus Relief Fund to support rental and utility assistance for the years ended June 30, 2023 and 2022, respectively.