

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

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**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**Year Ended June 30, 2021**  
**(With Summarized Totals as of June 30, 2020)**

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**RUBINO**

STRENGTH IN NUMBERS

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## INDEPENDENT AUDITORS' REPORT

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

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, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A C C A, Inc. (Annandale Christian Community for Action) as of June 30, 2021, 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.

***Report on Summarized Comparative Information***

The prior year comparative information included in the accompanying statements of financial position and activities has been derived from ACCA's June 30, 2020, financial statements which were audited by other auditors whose report thereon dated February 4, 2021, expressed an unmodified opinion on those financial statements.

A handwritten signature in black ink that reads "Rubino & Company". The signature is written in a cursive style with a large, stylized initial "R" and a small ampersand between the words.

Bethesda, Maryland  
February 24, 2022

**A C C A, INC.**  
**(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2021**  
**(WITH SUMMARIZED TOTALS AS OF JUNE 30, 2020)**

	2021			2020 (Summarized)
	Child Development Center	Human Service Ministries	Total	Total All Funds
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,033,511	\$ 2,124,952	\$ 3,158,463	\$ 3,999,201
Accounts receivable	639,595	10,106	649,701	382,439
Inventory	-	35,770	35,770	32,920
Prepaid expenses	<u>83,655</u>	<u>1,084</u>	<u>84,739</u>	<u>10,555</u>
Total current assets	1,756,761	2,171,912	3,928,673	4,425,115
<b>INVESTMENTS</b>	-	174,614	174,614	174,931
<b>NOTES RECEIVABLE</b>	-	20,037	20,037	22,579
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>321,753</u>	<u>-</u>	<u>321,753</u>	<u>363,649</u>
 Total assets	 <u>\$ 2,078,514</u>	 <u>\$ 2,366,563</u>	 <u>\$ 4,445,077</u>	 <u>\$ 4,986,274</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 53,031	\$ 208	\$ 53,239	\$ 138,081
Accrued expenses	260,090	-	260,090	200,034
Payroll protection program loan	-	-	-	538,700
Deferred revenue	16,660	-	16,660	18,458
Coronavirus Relief Fund Advances	-	1,529,152	1,529,152	2,377,111
Other advances	-	-	-	12,503
Escrow payable	<u>-</u>	<u>5,218</u>	<u>5,218</u>	<u>1,830</u>
Total current liabilities	329,781	1,534,578	1,864,359	3,286,717
<b>NET ASSETS</b>				
Without donor restrictions:				
Undesignated	1,748,733	769,790	2,518,523	1,108,872
Designated by Board	<u>-</u>	<u>523,830</u>	<u>523,830</u>	<u>523,830</u>
Total without donor restrictions	1,748,733	769,790	3,042,353	1,632,702
With donor restrictions	<u>-</u>	<u>62,195</u>	<u>62,195</u>	<u>66,855</u>
Total net assets	<u>1,748,733</u>	<u>831,985</u>	<u>3,104,548</u>	<u>1,699,557</u>
 Total liabilities and net assets	 <u>\$ 2,078,514</u>	 <u>\$ 2,366,563</u>	 <u>\$ 4,445,077</u>	 <u>\$ 4,986,274</u>

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, 2021**  
**(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

	2021				2020
	Without Donor Restrictions		With Donor Restrictions		(Summarized)
	Child Development Center	Human Service Ministries	Human Service Ministries	Total	Total
<b>REVENUE AND OTHER SUPPORT</b>					
Tuition					
Parent fees	\$ 555,696	\$ -	\$ -	\$ 555,696	\$ 744,361
Parental subsidy - Government	2,507,190	-	-	2,507,190	2,667,579
Contributions					
Churches	-	136,747	-	136,747	149,961
Individual Organizations	32,381	376,639	835	409,855	371,395
Organizations	-	31,301	-	31,301	72,407
Grants					
Fairfax County QAP	15,225	-	-	15,225	15,198
Virginia Preschool Initiative	348,239	-	-	348,239	52,800
Fairfax County CCFP	-	91,615	-	91,615	104,852
United Way	-	-	-	-	9,100
Coronavirus Relief Funds	-	2,990,158	-	2,990,158	742,890
Emergency Food & Shelter Program	-	-	-	-	6,258
United States Department of Agriculture	156,356	-	-	156,356	118,479
Other Organizations and Businesses	652,732	16,000	-	668,732	58,500
In-kind support	555,936	242,069	-	798,005	745,023
Investment income (loss)	648	1,100	-	1,748	(10,211)
Other revenue	16,040	-	-	16,040	31,494
Net assets released from restrictions	-	5,495	(5,495)	-	-
<b>Total revenue and other support</b>	<b>4,840,443</b>	<b>3,891,124</b>	<b>(4,660)</b>	<b>8,726,907</b>	<b>5,880,086</b>
<b>EXPENSES</b>					
Program services	3,587,924	3,602,546	-	7,190,470	5,218,645
Management and general	623,182	32,093	-	655,275	675,246
<b>Total expenses</b>	<b>4,211,107</b>	<b>3,634,639</b>	<b>-</b>	<b>7,845,746</b>	<b>5,893,891</b>
<b>CHANGE IN NET ASSETS</b>	<b>629,336</b>	<b>256,485</b>	<b>(4,660)</b>	<b>881,161</b>	<b>(13,805)</b>
Net Assets - beginning of year	984,397	648,305	66,855	1,699,557	1,713,362
Transfers, net	135,000	(135,000)	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,748,733</b>	<b>\$ 769,790</b>	<b>\$ 62,195</b>	<b>\$ 2,580,718</b>	<b>\$ 1,699,557</b>

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

**A C C A, INC.**  
**(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)**  
**STATEMENT OF FUNCTIONAL EXPENSE:**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

	2021						2020 (Summarized)	
	Program Services			Management and General			Total	Total All Funds
	Child	Human	Total Program	Child	Human	Total		
	Development Center	Service Ministries		Services	Development Center	Service Ministries	Management and General	
Salaries	\$ 1,919,359	\$ -	\$ 1,919,359	\$ 338,710	\$ -	\$ 338,710	\$ 2,258,069	\$ 2,333,573
Payroll and other taxes	92,375	-	92,375	16,302	-	16,302	108,677	147,980
Employee benefits	355,059	-	355,059	62,657	-	62,657	417,716	390,424
Food	163,307	-	163,307	23,459	-	23,459	186,766	305,640
Bank and services charges	-	-	-	5,301	429	5,730	5,730	9,557
Materials, equipment, and supplies	184,530	-	184,530	19,801	3,344	23,145	207,675	114,760
Repairs and maintenance	25,080	-	25,080	4,426	1,966	6,392	31,472	58,165
Rent and custodial	45,415	-	45,415	8,014	-	8,014	53,429	59,802
Insurance	10,514	-	10,514	1,855	2,712	4,567	15,081	13,840
Contracted services	61,030	-	61,030	-	-	-	61,030	104,754
Professional development	42,612	-	42,612	7,520	-	7,520	50,132	26,981
Temporary help	-	-	-	-	7,079	7,079	7,079	3,078
Dues and registration	12,718	-	12,718	2,244	-	2,244	14,962	13,066
Telephone and postage	10,645	-	10,645	2,309	1,334	3,643	14,288	10,499
Printing and equipment rental	22,897	-	22,897	4,041	2,661	6,702	29,599	29,359
Legal and accounting	-	-	-	18,005	10,356	28,361	28,361	38,295
Miscellaneous	26,071	-	26,071	13,761	2,212	15,973	42,069	97,872
Scholarship	25,960	-	25,960	-	-	-	25,960	81,557
In-kind support	472,546	-	472,546	83,390	-	83,390	555,936	596,567
Depreciation	64,525	-	64,525	11,387	-	11,387	75,912	72,049
VPI expense	53,282	-	53,282	-	-	-	53,282	31,496
Assistance to individuals :								
Family emergency	-	3,206,029	3,206,029	-	-	-	3,206,029	1,081,034
Housing	-	2,500	2,500	-	-	-	2,500	-
Furniture	-	41,749	41,749	-	-	-	41,749	39,246
Food and nutrition	-	322,781	322,781	-	-	-	322,781	217,097
Scholarship	-	16,000	16,000	-	-	-	16,000	16,000
Homework club	-	13,487	13,487	-	-	-	13,487	1,200
<b>Total Expenses</b>	<b>\$ 3,587,924</b>	<b>\$ 3,602,546</b>	<b>\$ 7,190,470</b>	<b>\$ 623,182</b>	<b>\$ 32,093</b>	<b>\$ 655,275</b>	<b>\$ 7,845,771</b>	<b>\$ 5,893,891</b>

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, 2021**  
**(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts		
Tuition fees and subsidies	\$ 3,080,717	\$ 5,769,803
Contributions	577,903	579,776
Grants	2,584,297	1,040,079
Investment income (loss)	1,748	(10,211)
Other revenue	16,040	31,494
Total receipts	6,260,705	7,410,941
Disbursements	7,073,649	5,029,868
Net cash (used) provided by operating activities	(812,944)	2,381,073
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(34,016)	(85,672)
Purchase of investments	(13)	(12,098)
Sales/maturities of investments	330	420,794
Net cash (used) provided by investing activities	(33,699)	323,024
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments received on note	2,542	2,204
Proceeds received from Payroll Protection Program loan	-	538,700
Escrow payable/receivable	3,388	(697)
Net cash provided by financing activities	5,930	540,207
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(840,713)	3,244,304
Cash and cash equivalents, beginning of year	3,999,201	754,897
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 3,158,488</b>	<b>\$ 3,999,201</b>

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, 2021**  
**(With Summarized Totals for the Year Ended June 30, 2020)**

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**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 on the accrual basis of accounting. 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, 2020, 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, 2021**  
**(With Summarized Totals for the Year Ended June 30, 2020)**

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**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 mainly 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, 2021**  
**(With Summarized Totals for the Year Ended June 30, 2020)**

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**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, 2021 and 2020, 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.

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

*With Donor Restrictions*

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

**A C C A, INC.**  
**(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**  
**(With Summarized Totals for the Year Ended June 30, 2020)**

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**2. Summary of Significant Accounting Policies (continued)**

**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.

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. The donated food is estimated based on the national average for pounds of food and approximates fair value. The donated furniture is estimated based on the current Valuation Guide for Goodwill Donors and approximates fair value.

**Allocation of Expenses**

The costs of providing various programs and supporting activities have been summarized on a functional basis in the financial statements. Accordingly, occupancy and office expenses have been allocated among the programs and supporting services benefited based on personnel efforts or space usage.

**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 \$135,000 and \$160,000 for the years ended June 30, 2020 and 2019, respectively.

**A C C A, INC.**  
**(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**  
**(With Summarized Totals for the Year Ended June 30, 2020)**

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**2. Summary of Significant Accounting Policies (continued)**

**Subsequent Events**

In preparing these financial statements, ACCA has evaluated events and transactions for potential recognition or disclosure through February 24, 2022, 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.

**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.

	2021	2020
Cash and cash equivalents	\$ 3,158,463	\$ 3,999,201
Accounts receivable	649,701	382,439
Investments	174,614	174,931
Total	3,982,778	4,556,571
Less: net assets with donor restrictions	(62,195)	(66,855)
Less: board designated legacy fund assets	(645,290)	(523,830)
Total	\$ 3,275,293	\$ 3,965,886

**A C C A, INC.**  
**(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**  
**(With Summarized Totals for the Year Ended June 30, 2020)**

**5. Accounts Receivable**

A summary of amounts included in accounts receivable at June 30, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>
Parental subsidy - Fairfax County	\$ 583,550	\$ 270,369
CARES Funds	-	43,500
United States Department of Agriculture	30,335	14,402
Other	35,816	54,168
Total accounts receivable	<u>\$ 649,701</u>	<u>\$ 382,439</u>

There was no allowance for uncollectible accounts receivable as of June 30, 2021 and 2020.

**6. Inventory**

Inventory consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Food	\$ 30,375	\$ 27,925
Furniture	5,395	4,995
Total inventory	<u>\$ 35,770</u>	<u>\$ 32,920</u>

**7. Investments**

Investments consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,491	\$ 325
Certificates of deposit	54,946	57,442
Money market fund	117,177	117,164
Total investments	<u>\$ 174,614</u>	<u>\$ 174,931</u>

**A C C A, INC.**  
**(ANNANDALE CHRISTIAN COMMUNITY FOR ACTION)**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**  
**(With Summarized Totals for the Year Ended June 30, 2020)**

**7. Investments (continued)**

Investment (loss) income for the years ended June 30, 2021 and 2020, is comprised of the following:

	<u>2021</u>	<u>2020</u>
Interest and dividends from investments	\$ 356	\$ (11,638)
Interest from note receivable	<u>1,392</u>	<u>1,427</u>
Total investment income (loss)	<u>\$ 1,748</u>	<u>\$ (10,211)</u>

**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, 2021 and 2020:

	<u>June 30, 2021</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash	\$ 2,491	\$ 2,491	\$ -	\$ -
Certificates of deposit	54,946	-	54,946	-
Money market fund	<u>117,177</u>	<u>117,177</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 174,614</u>	<u>\$ 119,668</u>	<u>\$ 54,946</u>	<u>\$ -</u>
	<u>June 30, 2020</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash	\$ 325	\$ 325	\$ -	\$ -
Certificates of deposit	57,442	-	57,442	-
Money market fund	<u>117,164</u>	<u>117,164</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 174,931</u>	<u>\$ 117,489</u>	<u>\$ 57,442</u>	<u>\$ -</u>

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**9. Property and Equipment**

A summary of property and equipment at June 30, 2021, is as follows:

	June 30, 2021			
	Cost	Accumulated depreciation	Net cost	Depreciation expense
Child Development Center				
Equipment and furniture	\$ 665,171	\$ 343,418	\$ 321,753	\$ 75,912
Human Service Ministries				
Vehicles	36,271	36,271	-	-
Total	\$ 701,442	\$ 379,689	\$ 321,753	\$ 75,912
	June 30, 2020			
	Cost	Accumulated depreciation	Net cost	Depreciation expense
Child Development Center				
Equipment and furniture	\$ 631,155	\$ 267,506	\$ 363,649	\$ 72,049
Human Service Ministries				
Vehicles	36,271	36,271	-	-
Total	\$ 667,426	\$ 303,777	\$ 363,649	\$ 72,049

**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, 2020, approximately \$1.5 million of deferred revenue remained, with payments expected to continue through September 30, 2021.

On May 6, 2020, ACCA received a loan from United Bank, a financial institution, in the amount of \$538,700 to fund payroll and benefits. ACCA received forgiveness during fiscal year ended June 30, 2021 and is included in grant revenue.



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**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, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Balance - beginning of year	\$ 523,830	\$ 578,792
Support approved	-	(54,962)
Balance - end of year	<u>\$ 523,830</u>	<u>\$ 523,830</u>

**12. Net Assets With Donor Restrictions**

Net assets with donor restrictions at June 30, 2021 and 2020, consisted of funds for the following purposes:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Releases</u>	<u>June 30, 2021</u>
Scholarship - Ruffing	\$ 10,056	\$ -	\$ -	\$ 10,056
Rebuilding Together	4,596	-	-	4,596
Nutrition and Hygiene	39,606	-	(5,495)	34,111
Furniture - Crib Fund	9,298	-	-	9,298
Furniture - Fuel	1,699	835	-	2,534
Infrastructure	1,600	-	-	1,600
Total	<u>\$ 66,855</u>	<u>\$ 835</u>	<u>\$ (5,495)</u>	<u>\$ 62,195</u>

  

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Releases</u>	<u>June 30, 2020</u>
Scholarship - Ruffing	\$ 10,456	\$ -	\$ (400)	\$ 10,056
Rebuilding Together	346	4,250	-	4,596
Nutrition and Hygiene	32,406	7,200	-	39,606
Furniture - Crib Fund	9,298	-	-	9,298
Furniture - Fuel	1,089	610	-	1,699
Infrastructure	1,600	-	-	1,600
Total	<u>\$ 55,195</u>	<u>\$ 12,060</u>	<u>\$ (400)</u>	<u>\$ 66,855</u>

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**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, 2021 and 2020, is as follows:

	2021	2020
Rent and utilities	\$ 555,936	\$ 596,567
Donated food	227,927	133,233
Donated furniture	8,142	9,223
Donated other	6,000	6,000
Total	\$ 798,005	\$ 745,023

**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, 2021 and 2020, is for \$4,782 and \$6,654, 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 \$609,365 and \$656,369 for the years ended June 30, 2021 and 2020, 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 \$21 square foot per year for the years ended June 30, 2021 and 2020, respectively, less the actual amount of rent and custodial expenses paid by ACCA.

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**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 29% and 45% of total revenue directly from Fairfax County for parental tuition subsidies for the years ended June 30, 2021 and 2020, respectively. ACCA also received 6% and 10% of total revenue directly from Fairfax County for in-kind rent and utilities for the years ended June 30, 2021 and 2020, respectively. In addition, ACCA received 28% of total revenue through the Coronavirus Relief Fund to support rental and utility assistance.