



Financial Statements
December 31, 2022 and 2021

A Precious Child, Inc.

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Independent Auditor's Report

Board of Directors
A Precious Child, Inc.
Broomfield, Colorado

Opinion

We have audited the financial statements of A Precious Child, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 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.

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

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

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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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in 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.

BDO USA, P.C.

December 6, 2023

A Precious Child, Inc.
Statements of Financial Position

<i>December 31,</i>	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 3,518,119	\$ 3,872,900
Inventories	2,240,035	1,140,067
Endowment investments	46,105	46,122
Contributions receivable	268,910	401,346
Prepaid expenses and other assets	167,455	162,846
Total current assets	6,240,624	5,623,281
Property and equipment, net	6,455,379	5,552,508
Other long-term assets		
Operating leases right-out-use assets, net	164,282	-
Total other long-term assets	164,282	5,552,508
Total assets	\$ 12,860,285	\$ 11,175,789
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 189,279	\$ 387,577
Operating lease liabilities, current portion	59,480	-
Long-term debt, current portion	97,524	45,973
Total current liabilities	346,283	433,550
Long-term liabilities:		
Operating lease liability, net of current portion	104,802	-
Long-term debt, net of current portion	4,302,388	3,701,072
Total long-term liabilities	4,407,190	3,701,072
Total liabilities	4,753,473	4,134,622
Commitments and contingencies		
Net assets		
Without donor restrictions	6,482,619	5,406,823
With donor restrictions	1,624,193	1,634,344
Total net assets	8,106,812	7,041,167
Total liabilities and net assets	\$ 12,860,285	\$ 11,175,789

See accompanying notes to the financial statements.

A Precious Child, Inc.

Statements of Activities

Year Ended December 31,	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Support and revenue						
Gifts-in-kind						
Contributions of non-financial assets	\$ 14,630,252	\$ -	\$ 14,630,252	\$ 6,630,114	\$ -	\$ 6,630,114
Donated services	69,395	-	69,395	53,675	-	53,675
Contributions	2,490,702	1,863,037	4,353,739	3,318,712	908,555	4,227,267
Grants	245,325	1,089,817	1,335,142	244,232	527,100	771,332
Special events, net of direct benefit to donors	175,520	10,000	185,520	177,590	-	177,590
Retail sales, net of costs of goods sold	(30,383)	-	(30,383)	(96,391)	-	(96,391)
Interest and investment income	2,108	-	2,108	10,651	-	10,651
Gain on debt forgiveness	-	-	-	245,100	-	245,100
Other income	56,533	-	56,533	-	-	-
Net assets released from restrictions	2,973,005	(2,973,005)	-	1,670,544	(1,670,544)	-
Total support and revenue	20,612,457	(10,151)	20,602,306	12,254,227	(234,889)	12,019,338
Expenses						
Program services	18,098,418	-	18,098,418	10,374,386	-	10,374,386
Capital campaign	-	-	-	264,350	-	264,350
Management and general	401,765	-	401,765	241,889	-	241,889
Fundraising	1,036,478	-	1,036,478	830,074	-	830,074
Total expenses	19,536,661	-	19,536,661	11,710,699	-	11,710,699
Change in net assets	1,075,796	(10,151)	1,065,645	543,528	(234,889)	308,639
Net assets, beginning of year	5,406,823	1,634,344	7,041,167	4,863,295	1,869,233	6,732,528
Net assets, end of year	\$ 6,482,619	\$ 1,624,193	\$ 8,106,812	\$ 5,406,823	\$ 1,634,344	\$ 7,041,167

See accompanying notes to the financial statements.

A Precious Child, Inc.

Statement of Functional Expenses - 2022

Program Services													
Year Ended December 31, 2022	Precious Essentials	Marshall Fire Restricted	Basics4Babies	Fill A Backpack	Precious Gift	Emprmnt Ctr	giveSPORTS	Total Other Programs	Total Program	Management and General	Fundraising	Direct Benefit to Donor	Total
Salaries	\$ 713,542	\$ 195,507	\$ 91,519	\$ 132,303	\$ 141,766	\$ 380,813	\$ 74,946	\$ 151,785	\$ 1,882,181	\$ 156,829	\$ 688,766	\$ -	\$ 2,727,776
Payroll Taxes	57,803	17,018	7,578	10,673	11,464	32,618	6,094	10,548	153,796	12,691	52,519	-	219,006
Staff 401k match	3,257	1,165	305	781	835	1,198	398	1,084	9,023	1,990	3,503	-	14,516
Workers Compensation	5,794	1,791	776	1,142	1,209	3,219	594	919	15,444	1,238	5,647	-	22,329
Payroll Processing Fees	3,093	-	232	1,237	155	696	155	77	5,645	851	1,237	-	7,733
401k Processing Fees	1,328	-	249	208	415	-	249	416	2,865	498	789	-	4,152
Staff Health Insurance	45,669	151	5,189	6,094	6,513	11,571	4,169	4,233	83,589	5,740	30,323	-	119,652
Staff Life Insurance	684	22	73	68	75	166	63	43	1,194	70	281	-	1,545
Total salaries and benefits	831,170	215,654	105,921	152,506	162,432	430,281	86,668	169,105	2,153,737	179,907	783,065	-	3,116,709
Bank Fees	-	-	-	-	-	-	-	101	101	9,933	-	-	10,034
Books, Subscriptions, Reference	-	-	-	-	-	-	-	-	-	1,115	584	-	1,699
Communications Expenses	12,170	70	1,515	1,539	1,539	5,776	1,214	1,856	25,679	2,602	1,032	-	29,313
Credit Card Fees	-	-	-	-	-	-	-	1,087	1,087	44,422	1,125	-	46,634
Fundraising Fees	-	-	-	-	-	-	-	-	-	6,776	820	-	7,596
Office & General Supplies	7,673	-	800	939	939	3,020	653	1,276	15,300	1,087	881	-	17,268
Postage, Mailing & Shipping Expenses	-	-	-	-	64	-	-	-	64	60	11,221	-	11,345
Printing and Copying	4,955	-	545	1,551	611	1,979	478	763	10,882	587	13,296	-	24,765
Software	29,747	-	1,643	1,922	1,922	5,607	1,291	89,308	131,440	15,203	41,053	-	187,696
Rent	56,031	-	1,781	7,126	7,126	-	1,781	-	73,845	-	23,615	-	97,460
Depreciation Expense	60,420	-	5,997	9,059	19,038	2,083	4,200	23,082	123,879	7,327	6,777	-	137,983
Equipment, Fixtures, Furniture	11,564	-	1,107	1,293	1,517	3,804	1,411	25,078	45,774	1,496	1,197	-	48,467
Facilities Insurance	4,245	1,316	1,045	699	699	2,781	699	981	12,465	786	974	-	14,225
Facilities Maintenance	29,571	2,309	2,808	4,625	5,320	1,657	2,551	5,461	54,302	3,085	3,045	-	60,432
Fuel - Van & Box Truck	3,184	906	320	1,279	1,279	-	377	-	7,345	-	-	-	7,345
Vehicle Insurance	5,772	-	577	2,309	2,309	-	577	-	11,544	-	-	-	11,544
Vehicle Maintenance & Repairs	4,006	-	401	1,602	1,602	-	401	-	8,012	-	-	-	8,012
Parking	3	-	-	-	-	-	-	-	3	-	603	-	606
Toll Road Charges	-	-	-	-	-	-	-	-	-	-	10	-	10
Utilities	17,585	3,356	2,152	4,930	5,009	1,404	2,121	4,912	41,469	1,816	2,736	-	46,021
Property Taxes	-	-	-	-	-	-	-	36,755	36,755	-	-	-	36,755
Mortgage Interest	51,068	-	4,480	4,032	6,272	2,688	3,584	88,138	160,262	52,228	4,480	-	216,970
Professional Services	34,416	-	1,600	2,100	5,650	1,400	30,881	8,487	78,147	13,782	2,350	-	94,279
Program Goods	39,970	25,194	273,576	232,127	222,447	1,024	8,487	39,618	842,443	-	-	-	842,443
Program Expense "Other than Goods"	9,842	45,785	779	1,183	5,228	364	39	2,729	65,949	-	-	-	65,949
Program Scholarship	-	-	-	-	-	-	-	31,774	10,069	41,843	-	-	41,843
Housing Assistance	109,202	300,000	-	-	-	-	-	-	409,202	-	-	-	409,202
Employee Assistance	2,250	-	250	300	300	4,205	200	350	7,855	250	6,887	-	14,992
Events Expenses	-	-	-	-	-	-	-	-	-	-	6,769	-	6,769
Advertising Expenses	24,143	-	2,592	5,323	5,158	8,435	2,126	11,328	59,105	3,548	35,474	-	98,127
Precious Perks - COGS	-	-	-	-	-	-	-	-	4,825	4,825	-	-	4,825
Awards	-	-	-	-	-	-	-	-	-	-	2,467	-	2,467
Bad Debts	15,009	-	-	-	250	-	-	-	50,000	65,259	18,925	30,638	114,822
Insurance - Liability	5,896	-	1,243	741	741	2,848	706	1,015	13,190	1,107	980	-	15,277
Membership Dues	1,583	6	12	8	8	-	12	5	1,634	9,777	2,725	-	14,136
Misc. Expenses	-	-	-	525	-	-	-	-	525	(164)	-	-	361
Staff and Board Development	34,877	-	2,790	8,577	3,363	15,155	1,904	3,561	70,227	20,302	23,154	-	113,683
Travel	1,900	900	226	668	709	277	252	5,640	420	5,828	-	-	11,888
Volunteer Expenses	15,224	272	1,431	1,153	1,794	-	1,025	1,921	22,820	1,281	1,794	-	25,895
Donor Development	-	-	-	-	-	-	-	-	-	-	6,581	-	6,581
Government Fees	-	-	-	-	-	-	-	(158)	(158)	286	-	-	128
In-kind Program Materials Distributed	8,099,750	1,293,186	1,782,643	1,191,369	631,461	-	529,122	-	13,527,531	-	-	-	13,527,531
In-kind Services Distributed	24,089	-	3,441	4,818	4,818	5,990	2,753	7,087	52,996	3,821	12,389	-	69,206
In-kind Supplies Distributed	-	-	-	-	208	-	-	-	208	-	1,928	-	2,136
Direct cost to donor	-	-	-	-	-	-	-	-	-	-	-	321,521	321,521
Total expenses	9,547,315	1,888,954	2,201,675	1,644,303	1,096,263	505,028	687,806	611,842	18,183,186	401,765	1,036,478	321,521	19,942,950
Less: expenses net against revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct costs of special events	-	-	-	-	-	-	-	-	-	-	-	(321,521)	(321,521)
Costs of goods sold	-	-	-	-	-	-	-	(84,768)	(84,768)	-	-	-	(84,768)
Total functional expenses	\$ 9,547,315	\$ 1,888,954	\$ 2,201,675	\$ 1,644,303	\$ 1,096,263	\$ 505,028	\$ 687,806	\$ 527,074	\$ 18,098,418	\$ 401,765	\$ 1,036,478	\$ -	\$ 19,536,661

See accompanying notes to the financial statements.

A Precious Child, Inc.

Statement of Functional Expenses - 2021

Program Services													
Year Ended December 31, 2021	Precious Essentials	Basics4Babies	Fill A Backpack	Precious Gift	Empowerment Center	giveSPORTS	Total Other Programs	Total Program	Capital Campaign	Management and General	Fundraising	Direct Benefit to Donor	Total
Salaries	\$ 509,815	\$ 60,939	\$ 106,175	\$ 121,882	\$ 268,756	\$ 52,300	\$ 139,742	\$ 1,259,609	\$ -	\$ 100,891	\$ 548,642	\$ -	\$ 1,909,142
Payroll Taxes	44,608	5,116	8,292	9,245	21,526	4,081	9,440	102,308	-	7,982	43,322	-	153,612
Staff 401k match	2,853	185	362	1,049	1,101	169	480	6,199	-	1,480	2,554	-	10,233
Workers Compensation	4,443	1,399	520	515	73	1,417	284	8,651	-	1,256	3,625	-	13,532
Payroll Processing Fees	2,308	173	923	115	519	115	58	4,211	-	635	923	-	5,769
401k Processing Fees	1,148	215	179	359	-	215	359	2,475	-	430	681	-	3,586
Staff Health Insurance	28,212	3,253	3,942	4,111	13,133	2,393	2,784	57,828	-	1,341	21,097	-	80,266
Total salaries and benefits	593,387	71,280	120,393	137,276	305,108	60,690	153,147	1,441,281	-	114,015	620,844	-	2,176,140
Office & General Supplies	5,284	408	459	459	2,056	342	8,065	17,073	-	2,238	600	-	19,911
Communications Expenses	9,177	1,132	1,132	1,132	4,312	924	1,358	19,167	-	2,387	715	-	22,269
Postage, Mailing & Shipping Expenses	-	-	-	79	-	-	-	3	-	701	7,618	-	8,401
Credit Card Fees	-	-	35	7,710	-	-	1,056	8,801	-	35,677	-	-	44,478
Bank Fees	-	-	-	-	-	-	-	-	-	318	1,782	-	2,100
Books, Subscriptions, Reference	-	-	-	-	-	-	-	-	-	618	260	-	878
Printing and Copying	6,221	695	1,043	751	2,610	639	973	12,932	-	1,402	7,502	-	21,836
Software	26,761	1,914	3,062	3,062	5,657	1,522	2,034	44,012	87,194	8,647	108,023	-	247,876
Facilities Insurance	6,246	783	783	783	3,123	783	1,097	13,598	-	928	1,093	-	15,619
Facilities Maintenance	27,139	2,089	3,777	561	4,006	1,972	8,687	48,231	-	3,628	3,760	-	55,619
Rent	35,414	1,223	4,891	4,891	-	1,223	-	47,642	-	-	5,351	-	52,993
Equipment, Fixtures, Furniture	14,543	1,098	2,381	1,665	7,559	(4,568)	918	23,596	4,803	1,723	2,190	-	32,312
Utilities	14,404	1,554	3,548	7,217	932	1,530	3,620	32,805	-	1,316	1,841	-	35,962
Parking	-	-	-	-	-	-	-	-	-	38	62	-	100
Depreciation Expense	52,559	5,479	7,190	7,776	1,811	3,678	4,176	82,669	-	7,251	6,689	-	96,609
Vehicle Insurance	3,866	387	1,547	1,547	-	387	-	7,734	-	-	-	-	7,734
Fuel - Van & Box Truck	2,402	237	946	946	-	236	-	4,767	-	-	-	-	4,767
Toll Road Charges	146	12	48	107	-	12	-	325	-	-	275	-	600
Vehicle Maintenance & Repairs	5,700	505	2,022	2,022	-	505	-	10,754	-	-	-	-	10,754
Fundraising Fees	-	-	-	-	-	-	-	-	-	5,161	750	-	5,911
Property Taxes	-	-	-	-	-	-	-	-	19,832	-	-	-	19,832
Government Fees	-	-	-	-	-	-	-	-	-	167	-	-	167
Professional Services	122,170	1,620	1,485	1,485	-	1,080	1,837	129,677	73,481	5,950	-	-	209,108
Program Goods Purchased	15,457	56,716	154,276	201,488	45	-	36,748	464,730	-	-	-	-	464,730
Program Expense "Other than Goods"	41,596	9,849	6,043	7,217	1,393	4,583	15,373	86,054	-	-	-	-	86,054
Opportunity Funds	-	-	-	-	-	16,508	5,989	22,497	-	-	-	-	22,497
Events Expenses	-	-	-	-	-	-	-	-	-	-	12,797	-	12,797
Insurance - Liability	2,382	294	308	308	1,130	269	403	5,094	-	375	342	-	5,811
Advertising Expenses	10,689	1,267	3,156	3,339	4,457	3,200	2,384	28,492	-	2,437	8,425	-	39,354
Precious Perks - COGS	-	-	-	-	-	-	8,013	8,013	-	-	-	-	8,013
Staff and Board Development	13,857	1,280	3,416	1,544	5,899	887	16,948	43,831	-	13,621	10,703	-	68,155
Misc. Expenses	-	-	-	-	-	-	-	-	-	294	18	-	312
Travel	565	50	132	137	29	74	98	1,085	-	37	5,269	-	6,391
Membership Dues	807	347	86	(14)	-	126	(16)	1,336	-	4,408	1,295	-	7,039
Donor Development	-	-	-	-	-	-	250	250	-	1,478	2,038	-	3,766
Bad Debts	-	-	-	-	-	-	-	-	-	11,695	-	-	11,695
Awards	-	-	-	-	-	-	-	-	-	-	2,052	-	2,052
Volunteer Expenses	11,214	2,282	939	1,361	41	958	1,544	18,339	-	1,197	1,440	-	20,976
Mortgage Interest	68,577	6,016	5,414	8,422	3,609	4,812	9,024	105,874	78,722	8,422	6,048	-	199,066
In-kind Program Materials Distributed	4,942,529	1,165,298	854,474	573,500	-	196,685	-	7,732,486	-	-	-	-	7,732,486
In-kind Services Distributed	17,435	2,683	3,356	3,623	1,741	2,819	5,648	37,305	-	4,296	12,074	-	53,675
Direct benefits to donor	-	-	-	-	-	-	-	-	-	-	-	212,569	212,569
Total expenses	6,050,527	1,336,498	1,186,342	980,394	355,518	301,876	289,377	10,500,532	264,350	241,889	830,074	212,569	12,049,414
Less: expenses net against revenue													
Direct costs of special events	-	-	-	-	-	-	-	-	-	-	-	(212,569)	(212,569)
Costs of goods sold	-	-	-	-	-	-	(126,146)	(126,146)	-	-	-	-	(126,146)
Total functional expenses	\$ 6,050,527	\$ 1,336,498	\$ 1,186,342	\$ 980,394	\$ 355,518	\$ 301,876	\$ 163,231	\$ 10,374,386	\$ 264,350	\$ 241,889	\$ 830,074	\$ -	\$ 11,710,699

See accompanying notes to the financial statements.

A Precious Child, Inc.

Statements of Cash Flows

<i>Year Ended December 31,</i>	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 1,065,645	\$ 308,639
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	137,983	96,609
Net realized and unrealized gains on investments	17	(19,964)
Paycheck Protection Program loan forgiveness	-	(245,100)
Write off of contributions receivable	114,822	11,695
Operating non-cash lease expense	46,734	-
(Increase) decrease in operating assets:		
Contributions receivable	17,614	(312,856)
Inventory	(1,099,968)	1,078,212
Prepaid expense and other assets	(4,609)	(81,812)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(198,298)	282,718
Change in operating lease liability	(46,734)	-
Net cash flows from operating activities	33,206	1,118,141
Cash flows from investing activities		
Purchase of property and equipment	(1,040,854)	(129,488)
Net cash flow from investing activities	(1,040,854)	(129,488)
Cash flows from financing activities		
Proceeds from long-term debt	740,000	-
Principal payments on long-term debt	(87,133)	(88,028)
Net cash flows from investing activities	652,867	(88,028)
Net change in cash and cash equivalents	(354,781)	900,625
Cash and cash equivalents, beginning of year	3,872,900	2,972,275
Cash and cash equivalents, end of year	\$ 3,518,119	\$ 3,872,900
Supplemental disclosure of non-cash investing activities:		
Cash paid for interest	\$ 216,970	\$ 199,066
Forgiveness of paycheck protection loan	\$ -	\$ 245,100

See accompanying notes to the financial statements.

A Precious Child, Inc.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The summary of significant accounting policies of A Precious Child, Inc. (the “Organization”) is presented to assist in understanding the Organization’s financial statements. The financial statements and notes are representations of the Organization’s management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America (“GAAP”) and have been consistently applied in the preparation of financial statements.

Nature of Activities

The Organization is a not-for-profit 501(c)(3) organization, incorporated under the laws of Colorado, for the purpose of providing assistance to children and families facing difficult life challenges such as abuse and neglect, crisis situations, and poverty. The Organization focuses on meeting a child’s most basic needs such as clothing, shoes, coats, sports equipment, backpacks, and school supplies. The Organization serves clients in Adams, Arapahoe, Broomfield, Boulder, Douglas, Jefferson, Denver, and Weld counties. The Organization’s revenue comes primarily from contributions.

The Organization has the following core programs:

Child & Family Advocacy:

- Empowerment Center provides holistic resource navigation and clinical case management through wrap-around support and education services to empower children and families on their path to self- sufficiency.

Family Stability:

- Precious Essentials provides essentials such as clothing, coats, shoes, food, home goods and hygiene items to families in need to help bridge the income gap so they can spend their limited resources on living expenses;
- Basics 4 Babies provides basic essentials such as diapers, wipes, formula and baby gear to families with infants who would otherwise ration or go without these necessities.

Social & Emotional Well-being:

- giveARTS provides support for arts program costs associated with lessons, participation fees, instruments and art supplies to children in need, helping them gain the skills for self-expression, confidence and creativity;
- giveSPORTS provides new and gently used sports equipment and support for sports program costs associated with registration, uniform, camp, and participation fees to children in need, giving them the opportunity to participate in activities that help them feel a sense of normalcy alongside their peers;
- Precious Gift provides gifts to children who would otherwise go without during monumental times in their lives, such as birthdays and during the holiday seasons;

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- Precious Mentor provides youth with peer-to-peer, adult-to-youth and workforce development mentorships through an evidence-based curriculum, building positive youth development and enriching academic and professional growth.

Academic Success:

- Inspiring Minds provides access to STEM-based activities to children visiting A Precious Child's Resource Center and through educational, take-home STEM kits;
- Edusentials provides educational support, such as computers, calculators, tutoring and incentives to remove barriers to school attendance and improve educational outcomes for economically disadvantaged students;
- Fill A Backpack provides backpacks filled with grade-appropriate school supplies to children in need to maximize their academic potential.

Workforce Development:

- Precious Perks provides opportunities through A Precious Child's Social Enterprise Coffee and Gift Shop for ages 15-24 who are currently out of school, without employment or struggling with a learning disorder, through work-based learning and fostering the skill sets necessary to obtain and retain employment.

Basis of Presentation

The Organization follows accounting standards set by the Financial Accounting Standards Board, commonly referred to as the "FASB." The FASB sets GAAP which the Organization follows to ensure the financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the "Codification" or "ASC".

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are not held for long-term purposes, to be cash and cash equivalents.

The Organization maintains its cash balances in financial institutions, which at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2022, the Organization had approximately \$2,900,000 in excess of federally insured limits.

Inventories

Inventories are stated at the estimated fair value derived from published independent sector rates in accordance with the Internal Revenue Service's Publication 561, *Determining the Value of Donated Property*. Inventories include items such as clothes, shoes, coats, sports equipment, backpacks, and school supplies.

A Precious Child, Inc.

Notes to the Financial Statements

Investments

The Organization records investments at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values on the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and internal investment expenses.

Fair Value Measurements

FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at December 31, 2022 and 2021.

Contributions Receivable

Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are initially recorded at their estimated fair values. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. As of December 31, 2022 and 2021, no discount was recorded as the Organization believes it is immaterial.

In years subsequent to initial recording, an allowance for uncollectible amounts is determined based on the relationship with the donor, historical experience, an assessment of the current economic environment, and analysis of subsequent events. As of December 31, 2022 and 2021, management expects that all amounts are fully collectible in the next year; accordingly, there is no allowance for uncollectible receivables.

A Precious Child, Inc.

Notes to the Financial Statements

Property and Equipment

Property and equipment acquired in excess of \$1,000 and with a life expectancy of more than one year are capitalized at cost for purchased fixed assets and at estimated fair value at the date of receipt for donated property. Depreciation is provided on the straight-line method based upon the estimated useful life of the assets:

Building	39 years
Building improvements	10 years
Furniture and equipment	4 - 5 years
Vehicles	4 - 5 years

Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. The Organization looks primarily to the undiscounted future cash flows in its assessment of whether or not long-lived assets have been impaired. Management is not aware of any indications of impairment and therefore no impairment loss was recorded during the years ended December 31, 2022 or 2021.

Leases

Lease Accounting - After Adoption of ASC 842

On January 1, 2022, the Organization adopted ASC No. 2016-02, *Leases: Topic 842* (“ASC 842”) and all related amendments using the transition alternative method. See *New Accounting Pronouncements - Current Period Adoption* below, which discusses the initial adoption of this new standard.

The Organization determines if an arrangement is a lease at inception of a contract. For leases with an initial term greater than 12 months, a related lease liability is recorded on the balance sheet at the present value of future lease payments over the lease term. As all of the Organization’s leases do not provide an implicit rate, the Organization elected the practical expedient available to private entities to use the risk-free rate. If a lease provides for an implicit rate, that rate is used. A right of use (“ROU”) asset is recorded at the initial amount of the lease liability, plus any lease payments made to the lessor before or at the lease commencement date and any initial direct costs incurred, less any tenant improvement allowance incentives received.

The Organization elected the practical expedient related to treating lease and non-lease components as a single lease component for all leases as well as electing a policy exclusion permitting leases with an original lease term of less than one year to be excluded from the ROU assets and lease liabilities.

Operating lease expense is recognized on a straight-line basis over the lease term. Tenant incentive allowances received from the lessor are amortized through the ROU asset as a reduction of rent expense over the lease term. For finance leases, the ROU assets are amortized on a straight-line basis over the shorter of the lease term and the estimated useful life, unless the terms of the lease include a bargain purchase option or transfer ownership at the end of the lease term in which the

A Precious Child, Inc.

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ROU asset is amortized over the estimated useful life. Variable lease payments that are not based on an index or that result from changes to an index subsequent to the initial measurement of the corresponding lease liability are not included in the measurement of lease ROU assets or liabilities and instead are recognized in earnings in the period in which the obligation for those payments is incurred. Leases with an initial term of 12 months or less (short-term leases) are not recorded on the balance sheet. Short-term lease expense is recognized on a straight-line basis over the lease term.

Lease Accounting - Prior to Adoption of ASC 842

For leases that contain rent escalations and rent abatement, the Organization records the total rent payable over the initial lease term on a straight-line basis over the life of the initial term. Any difference between minimum rent and straight-line rent is recorded as an accrued liability. Differences between actual rent payments and the straight-line basis were not significant at December 31, 2021.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Contributions and Grants

The Organization recognizes contributions, and grants not classified as exchange transactions, when cash, securities or other assets are received or when an unconditional promise to give is received in accordance with FASB ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*. Conditional promises to give, that is, 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 substantially met. There were no conditional promises to give as of December 31, 2022 or 2021.

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Notes to the Financial Statements

In-Kind Contributions

In-kind contributions are reflected as contributions at their estimated fair value at date of donation and are reported as unrestricted support. These amounts have been reported as both in-kind gifts revenue and included as program costs to properly reflect the total cost to each particular program. The Organization recognizes the fair value of contributed services received if such services, a) create or enhance nonfinancial assets, or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

Contract Revenue

The Organization accounts for contract revenue in accordance with FASB ASC 606, *Revenue from Contracts with Customers*, which requires the Organization to recognize contract revenue in a manner which depicts the transfer of goods or services to its customers at an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services. The Organization had contract revenue for special events and retail sales. There was no other significant contract revenue during the years ended December 31, 2022 and 2021.

Special Events

The Organization holds special events such as the annual gala, golf and bowling tournaments and a luncheon throughout the year as fundraising events for the Organization. The gross revenues and expenses, including direct benefits to donors, from these events are presented in the statements of activities.

For the year ended December 31, 2022 and 2021, a portion of event registration and sponsorship revenue was recognized at a point in time, when the event took place. Meals and entertainment were the only performance obligations of more than nominal value for these contracts. Event registration and sponsorship fees received prior to the event taking place are recognized as deferred revenue and would be recognized in future periods when the event occurs. There was no deferred revenue as of December 31, 2022 and 2021.

Retail sales

The Organization has sales from the Precious Perks coffee shop and through eBay. The revenue is recorded at a point in time when the sale is made. The expenses are recorded as incurred. Revenue is shown net of cost of goods sold on in the statements of activities.

Advertising

Advertising costs are expensed when incurred totaling \$98,210 and \$38,472, respectively, during the years ended December 31, 2022 and 2021.

Functional Allocation of Expenses

The costs of conducting the various programs and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail expenses by function and reports certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require

A Precious Child, Inc.

Notes to the Financial Statements

allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, and rent and utilities which have been allocated on a square footage basis, as well as salaries and related expenses and staff benefits which are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1). However, income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization had no unrelated business income during the years ended December 31, 2022 and 2021.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. The Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2020.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and such differences could be material.

New Accounting Pronouncements - Current Period Adoption

On January 1, 2022, the Organization adopted ASU No. 2016-02, *Leases Topic 842* ("ASC 842") and all related amendments, using the transition alternative method applying the guidance to leases existing as of the effective date. The Organization elected the package of practical expedients upon adoption, which permitted the Organization to not reassess the Organization's prior conclusions about lease identifications, lease classification and initial direct costs. The adoption of ASC 842 resulted in the recognition of operating lease ROU assets and operating lease liabilities of \$142,800 as of January 1, 2022, on the Organization's statement of financial position. At date of adoption, there were no pre-existing liabilities for deferred rent and no lease incentives of approximately to be reclassified to the operating lease ROU assets. The Organization's financial position and operating results for reporting periods prior to January 1, 2022, have not been adjusted and continue to be presented in accordance with the accounting standard in effect at that time. The adoption of ASC 842 did not have a material impact on the Organization's results of operations or cash flows and had no impact on net assets.

On January 1, 2022, the Organization adopted ASU 2020-07, (*Topic 958*), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022.

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The Organization retrospectively adopted the standard during the year ended December 31, 2022. The standard did not have a material impact on the financial statements. The Organization has updated disclosures as necessary (See Note 8).

New Accounting Pronouncements - Future Adoption

ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, was issued in June 2016, including subsequent amendments issued thereafter which clarify the standard (collectively, Topic 326). This standard significantly changes the impairment model for most financial instruments. In accordance with Topic 326, the Organization will be required to use a current expected credit loss model (“CECL”) that will immediately recognize an estimate of credit losses that are expected to occur over the life of the financial instruments that are within the scope of this update, including trade receivables. This guidance becomes effective for the Organization beginning the year ending December 31, 2023. The Organization is currently evaluating the impact of adoption of this standard on its financial statements.

2. Liquidity and Availability of Funds

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position comprise the following:

<i>December 31,</i>	2022	2021
Cash and cash equivalents	\$ 3,518,119	\$ 3,872,900
Contributions receivable, without donor restrictions	51,719	49,780
Total financial assets available for use for general expenditure over the next year	\$ 3,569,838	\$ 3,922,680

As part of the Organization’s liquidity management plans, cash and cash equivalents, short-term investments, and cash flows from operations are expected to continue to be sufficient to fund the Organization’s ongoing operating activities.

3. Investments and Fair Value Measurements

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There were no significant changes to the valuation methodologies used by the Organization during the year. The investments fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Mutual Funds - The Organization invests in various mutual funds that are traded on an active market, therefore the funds are classified within Level 1 of the valuation hierarchy. Mutual funds of \$29,684 and \$30,305 were held as of December 31, 2022 and 2021, respectively.

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Common Stocks - Common stocks are valued based on quoted market prices and are classified within Level 1 of the valuation hierarchy. Common stocks of \$16,421 and \$15,817 was held as of December 31, 2022 and 2021 respectively.

4. Property and Equipment

Property and equipment consist of the following as of December 31:

	2022	2021
Building	\$ 2,030,000	\$ 2,030,000
Land	4,223,104	3,297,881
Building improvements	344,732	234,271
Vehicles	136,068	134,240
Furniture and equipment	194,941	124,365
Construction-in-progress	-	72,098
Property and equipment	6,928,845	5,892,855
Less: accumulated depreciation	(473,466)	(340,347)
Property and equipment, net	\$ 6,455,379	\$ 5,552,508

The Organization recorded \$137,983 and \$96,609 of depreciation expense during the years ended December 31, 2022 and 2021, respectively.

5. Debt

Refinanced Mortgage Payable

In February of 2022, the Organization entered into an agreement to refinance the mortgages payable described below. The total amount funded under the new agreement was \$4,325,950 of this balance approximately \$3,600,000 was used to pay down the mortgage payables in full and approximately \$740,000 was used to purchase land. The new agreement matures in February 2032. The note requires monthly payments of approximately \$22,000, beginning March of 2022 and accrues interest at a rate of 3.95% through February 2029 and 4.15% for the remaining terms of the loan. The loan is secured by the deeds of trust on existing buildings and land plots. The balance at December 31, 2022 was \$2,116,301.

Mortgages Payable

In May 2018, the Organization entered into a promissory note payable for the purchase of land and a building. The note had an original principal balance of \$2,250,000 and matured in May 2027. The note required interest payments for the first year at a rate of 4.49% followed by monthly principal and interest payments with interest at 4.99%. The note was collateralized by certain assets of the Organization. The balance at December 31, 2021 was \$4,249,912.

A Precious Child, Inc.

Notes to the Financial Statements

In July 2019, the Organization entered into a promissory note payable for the purchase of land. The note had an original principal balance of \$1,242,569 and an original maturity date in December 2021. The note required a one-time payment of principal and accrued interest at a rate of 5% due at maturity. The note was collateralized by land of the Organization. As a part of the refinanced mortgage payable described above, maturity was delayed and the original note payable balance was paid in full in February of 2022. The balance at December 31, 2021 was \$1,228,244.

In November of 2019, the Organization entered into a promissory note payable for the purchase of land. The note had an original principal balance of \$402,500 and matured in December 2021. The note required a one-time payment of principal and accrued interest at a rate of 5% due at maturity. The note was collateralized by land of the Organization. As a part of the refinanced mortgage payable described above, maturity was delayed and the original note payable balance was paid in full in February of 2022. The balance as of December 31, 2021 was \$252,500.

Government Loans

On April 24, 2020, as a result of the economic stimulus efforts by the U.S. Government related to the COVID-19 outbreak, the Organization received the funding of a Paycheck Protection Program loan through the Small Business Association totaling \$245,100. This loan may be forgiven if loan funds are used for approved expenses and the Organization maintains its workforce. The Organization applied for forgiveness on December 10, 2020, and on January 5, 2021, the Organization received notification from the bank that funds were received from the SBA in an amount to cover all outstanding principal and interest on the PPP loan, and that PPP loan was considered paid in full. As a result, the Organization recognized a gain on extinguishment totaling \$245,100 during 2021 which is recorded in gain on debt forgiveness in the accompanying statements of activities.

On May 24, 2020 the U.S. Small Business Administration authorized a loan for \$150,000 in which monthly installment payments of \$641 including interest at a rate of 2.75% were to begin twelve months from the date of the loan with a maturity of thirty years from the date of the loan. The loan is collateralized by certain assets of the Organization. No principal payments were required on this loan during 2022.

Annual principal payments for the promissory notes outstanding at December 31, 2022 are as follows:

<i>Year Ending December 31,</i>	
2023	\$ 97,524
2024	100,889
2025	105,327
2026	109,478
2027	109,838
Thereafter	3,876,856
Net payments outstanding	\$ 4,399,912

A Precious Child, Inc.

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Line of Credit

During May 2018, the Organization obtained a line of credit for \$300,000 with a variable interest rate based on the Wall Street Journal Prime Rate (7.50% and 3.25% at December 31, 2022 and 2021, respectively). The line requires monthly payments of interest with the outstanding balance of principal due upon maturity, May 18, 2021. There were no draws and no balance outstanding during or as of December 31, 2021 and 2020. During December of 2021, the Organization executed a renewal of this line of credit extending the maturity date to December 18, 2024. There were no other significant changes in terms of the agreement.

6. Net Assets with Donor Restrictions

As of December 31, 2022 and 2021, net assets with donor restrictions are restricted for the following purposes or periods:

<i>December 31,</i>	2022	2021
<hr/> Subject to expenditures for specified purpose:		
Capital campaign	\$ 939,185	\$ 1,140,926
Inspiring Minds	45,865	29,139
Edusentials	143,971	69,930
Basics 4 babies	15,330	-
Precious Gift	-	46,191
Precious Essentials	28	26
giveARTS	94,911	81,896
Marshall Fire	-	430
giveSPORTS	136,695	108,951
Promises to give, restricted by donor for:		
Capital campaign	65,000	85,000
Marshall Fire	-	10,000
Basics 4 babies	19,415	-
giveSPORTS	100,000	-
	<hr/> 1,560,400	<hr/> 1,572,489
Endowment held in perpetuity	12,075	12,075
Subject to the passage of time:		
Promises to give not restricted by donors	51,718	49,780
Net assets with donor restrictions	<hr/> \$ 1,624,193	<hr/> \$ 1,634,344

A Precious Child, Inc.

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As of December 31, 2022 and 2021, net assets with donor restrictions were released for the following purposes or periods:

<i>Year Ended December 31,</i>	2022	2021
Satisfaction of purpose restrictions		
Precious Essentials	\$ 185,336	\$ 191,508
Basics 4 Babies	338,505	66,980
giveSPORTS	87,768	21,117
Empowerment Center	261,641	275,135
Inspiring Minds	66,555	89,655
giveARTS	10,474	704
Edusentials	6,247	7,774
Capital campaign	335,654	279,705
Fill A Backpack	340,230	247,335
Precious Perks	37,400	41,600
Precious Mentor program	60,322	118
Precious Gift	426,405	403,728
Marshall Fire	766,687	-
Time releases	49,781	45,185
Net assets released from restriction	\$ 2,973,005	\$ 1,670,544

7. Leases

Operating Leases

In March of 2022, the Organization entered a copier lease with monthly payments of \$368, which expires in February of 2027. Total lease expense under this lease was recorded in printing and copying and totaled \$4,135. Additionally, the Organization rents trailers on a monthly basis with payments per trailer of \$185 to \$225 each. These leases are on a month-to-month basis and therefore has no future minimum commitments. During June of 2021, the Organization entered into two additional agreements to rent storage. During March of 2022, the Organization entered into a lease agreement to rent additional storage units. Rental payments on the storage units range from \$1,000 to \$2,500 monthly. The leases expire on July 31, 2025.

The Organization's operating lease expense is as follows:

<i>For the Year Ended December 31,</i>	2022
Operating lease expense	\$ 46,734
Variable lease expense	39,914
Short term lease expense	2,115
Total lease expense	\$ 88,763

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The maturity analysis of the operating lease liabilities as of December 31, 2022 is as follows:

<i>For the Year Ended December 31,</i>	
2023	\$ 62,028
2024	63,113
2025	39,035
2026	4,416
2027	736
Total minimum lease payments	169,328
Less: lease payments representing interest	(5,046)
Net present value of lease liabilities	164,282
Less: current portion	(59,480)
Lease liability, net of current portion	\$ 104,802

The following summarized the weighted-average remaining lease term and weighted average discount rate on long-term operating leases:

<i>As of December 31,</i>	2022
Weighted-average remaining lease term (in years)	2.76
Weighted-average discount rate	2.44%

Supplemental cash flow information related to leases was as follows:

<i>For the Year Ended December 31,</i>	2022
Cash paid for amounts included in the measure of lease liabilities	
Operating cash flow from operating leases	\$ 88,763

At December 31, 2021, minimum lease payments under the previously lease standard (ASC 840) were as follows:

<i>Year Ending December 31,</i>	
2022	\$ 43,533
2023	44,996
2024	45,820
2025	28,661
2026	3,948
Thereafter	658
Total	\$ 167,616

8. Non-financial Contributed Assets

The Organization receives various non-financial contributed assets or gifts-in-kind (GIK) that consists mostly of clothing type good. All GIKs are recorded as inventory and are valued at fair value or net realizable value, whichever is lower.

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All of the Organization's non-financial contributions gifts-in-kind for the years ending December 31, 2022 and 2021 consisted of clothing type goods.

9. Concentrations

During the year ended December 31, 2022, one donor comprised more than 10% of contribution revenue. As of December 31, 2022 two donors comprised more than 10% of pledge receivables. During the year ended December 31, 2021, one donor comprised more than 10% of contribution revenue and no material pledges were held at year end.

10. Retirement Plan

The Organization sponsors a retirement plan under Internal Revenue Code Section 401(a). Employees may contribute amounts to the Plan based on the limits established by the IRS. The Organization makes a contribution to the Plan of 100% of the first 2% of eligible compensation deferred by the employee. For the years ended December 31, 2022 and 2021, the Organization contributed \$14,516 and \$10,233 to the retirement plan, respectively.

11. Subsequent Events

The Organization has evaluated subsequent events through December 6, 2023, which is the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements, other than those described below.