

**Helping Hand Home for Children, Inc. and
Helping Hand Home for Children Foundation**

Combined Financial Statements
and Supplementary Information

June 30, 2022 and 2021



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INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors of
Helping Hand Home for Children, Inc. and
Helping Hand Home for Children Foundation
Austin, Texas

Opinion

We have audited the accompanying 2022 combined financial statements of Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation (Texas nonprofit corporations) (collectively, the "Helping Hand"), which comprise the combined statement of financial position as of June 30, 2022, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the 2022 combined financial statements referred to above present fairly, in all material respects, the financial position of Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit 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 Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation 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.

Prior Period Financial Statements

The combined financial statements as of June 30, 2021, were audited by Holtzman Partners LLP, whose practice became part of Armanino^{LLP} as of January 1, 2022, and whose report dated November 15, 2021, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.



An independent firm
associated with Moore
Global Network Limited

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation's ability to continue as a going concern within one year after the date that the combined 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 combined 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, including omissions, 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 combined 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 combined 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 combined 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 Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The information on pages 23 - 26 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
Austin, Texas

November 16, 2022

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
 Combined Statements of Financial Position
 June 30, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,338,136	\$ 2,652,973
Cash and cash equivalents, restricted	3,823,847	6,946,878
Investments in marketable securities	11,494,593	13,122,436
Accounts receivable	749,769	628,446
Capital campaign pledges receivable, current	781,796	1,586,643
Prepaid expenses and other current assets	<u>221,523</u>	<u>109,913</u>
Total current assets	<u>20,409,664</u>	<u>25,047,289</u>
Long-term assets		
Capital campaign pledges receivable, net of current	2,104,153	2,925,042
Property and equipment, net	<u>12,726,563</u>	<u>6,170,501</u>
Total long-term assets	<u>14,830,716</u>	<u>9,095,543</u>
Total assets	<u>\$ 35,240,380</u>	<u>\$ 34,142,832</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 42,498	\$ 77,902
Accrued liabilities	850,921	1,278,491
Deferred revenue	<u>1,030,285</u>	<u>1,569,807</u>
Total current liabilities	<u>1,923,704</u>	<u>2,926,200</u>
Net assets		
Without donor restrictions	18,444,660	16,519,435
With donor restrictions	<u>14,872,016</u>	<u>14,697,197</u>
Total net assets	<u>33,316,676</u>	<u>31,216,632</u>
Total liabilities and net assets	<u>\$ 35,240,380</u>	<u>\$ 34,142,832</u>

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

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
 Combined Statement of Activities
 For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support, revenue, and net assets released from restrictions			
Public support and revenue			
Program revenue	\$ 3,647,325	\$ -	\$ 3,647,325
Contributions and public support	1,560,547	46,900	1,607,447
Fundraising events	3,266,244	-	3,266,244
In-kind support	429,645	-	429,645
Other revenue	135,550	-	135,550
Investment income/(loss)	(1,286,700)	(8,428)	(1,295,128)
Grants and contracts	-	1,412,953	1,412,953
East Campus Expansion	-	2,552,354	2,552,354
Net assets released from restrictions			
Restrictions satisfied by payments	1,436,436	(1,436,436)	-
Release of capital expenditures placed in service	2,392,524	(2,392,524)	-
Total net assets released from restrictions	3,828,960	(3,828,960)	-
Total public support, revenue, and net assets released from restrictions	11,581,571	174,819	11,756,390
Functional expenses			
Program services			
Residential Treatment Center	5,097,328	-	5,097,328
Foster Care	1,472,126	-	1,472,126
UT Charter School	301,746	-	301,746
East Campus Expansion	138,948	-	138,948
Total program services	7,010,148	-	7,010,148
Support services			
Management and General	1,057,604	-	1,057,604
Fundraising	1,588,594	-	1,588,594
Total support services	2,646,198	-	2,646,198
Total functional expenses	9,656,346	-	9,656,346
Change in net assets	1,925,225	174,819	2,100,044
Net assets, beginning of year	16,519,435	14,697,197	31,216,632
Net assets, end of year	\$ 18,444,660	\$ 14,872,016	\$ 33,316,676

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

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
 Combined Statement of Activities
 For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Public support, revenue, and net assets released from restrictions			
Public support and revenue			
Program revenue	\$ 4,113,351	\$ -	\$ 4,113,351
Contributions and public support	1,279,714	32,149	1,311,863
Fundraising events	634,088	-	634,088
In-kind support	362,320	-	362,320
Other revenue	1,110,705	-	1,110,705
Investment income/(loss)	3,089,077	47,189	3,136,266
Grants and contracts	-	1,415,461	1,415,461
East Campus Expansion	-	6,979,837	6,979,837
Net assets released from restrictions			
Restrictions satisfied by payments	1,924,037	(1,924,037)	-
Total net assets released from restrictions	1,924,037	(1,924,037)	-
Total public support, revenue, and net assets released from restrictions	12,513,292	6,550,599	19,063,891
Functional expenses			
Program services			
Residential Treatment Center	5,653,621	-	5,653,621
Foster Care	1,533,765	-	1,533,765
UT Charter School	322,553	-	322,553
East Campus Expansion	406,065	-	406,065
Total program services	7,916,004	-	7,916,004
Support services			
Management and General	948,290	-	948,290
Fundraising	496,933	-	496,933
Total support services	1,445,223	-	1,445,223
Total functional expenses	9,361,227	-	9,361,227
Change in net assets	3,152,065	6,550,599	9,702,664
Net assets, beginning of year	13,367,370	8,146,598	21,513,968
Net assets, end of year	\$ 16,519,435	\$ 14,697,197	\$ 31,216,632

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

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
 Combined Statement of Functional Expenses
 For the Year Ended June 30, 2022

	Program Services					Supporting Services			Total
	Residential Treatment Center	Foster Care	UT Charter School	East Campus Expansion	Total Program Services	Management and General	Fundraising	Total Support Services	
Expenses									
Salaries, benefits, and contract labor	\$ 3,998,563	\$ 721,465	\$ 53,919	\$ -	\$ 4,773,947	\$ 676,044	\$ 483,513	\$ 1,159,557	\$ 5,933,504
Direct care costs	431,437	631,404	241,828	-	1,304,669	-	-	-	1,304,669
Operations costs	27,987	4,846	2,062	138,948	173,843	197,865	1,054,166	1,252,031	1,425,874
Educational services costs	13,284	-	-	-	13,284	-	-	-	13,284
Administrative expenses	35,185	55,794	-	-	90,979	162,884	15,738	178,622	269,601
Payroll taxes	271,783	46,108	3,931	-	321,822	-	32,425	32,425	354,247
Facility costs	121,790	4,310	-	-	126,100	3,922	2,196	6,118	132,218
Workers compensation expense	26,081	1,743	6	-	27,830	(1,876)	(1,150)	(3,026)	24,804
Transportation costs	26,217	1,338	-	-	27,555	-	-	-	27,555
Total expenses	4,952,327	1,467,008	301,746	138,948	6,860,029	1,038,839	1,586,888	2,625,727	9,485,756
Depreciation	145,001	5,118	-	-	150,119	18,765	1,706	20,471	170,590
	<u>\$ 5,097,328</u>	<u>\$ 1,472,126</u>	<u>\$ 301,746</u>	<u>\$ 138,948</u>	<u>\$ 7,010,148</u>	<u>\$ 1,057,604</u>	<u>\$ 1,588,594</u>	<u>\$ 2,646,198</u>	<u>\$ 9,656,346</u>

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

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
 Combined Statement of Functional Expenses
 For the Year Ended June 30, 2021

	Program Services				Supporting Services			Total	
	Residential Treatment Center	Foster Care	UT Charter School	East Campus Expansion	Total Program Services	Management and General	Fundraising		Total Support Services
Expenses									
Salaries, benefits, and contract labor	\$ 4,500,355	\$ 711,732	\$ 69,911	\$ -	\$ 5,281,998	\$ 608,631	\$ 382,423	\$ 991,054	\$ 6,273,052
Direct care costs	471,473	719,023	243,381	-	1,433,877	-	-	-	1,433,877
Operations costs	49,970	11,356	2,062	406,065	469,453	161,236	77,413	238,649	708,102
Educational services costs	3,663	-	-	-	3,663	-	-	-	3,663
Administrative expenses	16,281	34,354	-	-	50,635	154,890	6,251	161,141	211,776
Payroll taxes	303,544	44,845	4,750	-	353,139	-	25,251	25,251	378,390
Facility costs	131,150	4,631	2,327	-	138,108	5,178	3,687	8,865	146,973
Workers compensation expense	14,321	1,256	122	-	15,699	239	261	500	16,199
Transportation costs	22,872	1,627	-	-	24,499	-	-	-	24,499
Total expenses	5,513,629	1,528,824	322,553	406,065	7,771,071	930,174	495,286	1,425,460	9,196,531
Depreciation	139,992	4,941	-	-	144,933	18,116	1,647	19,763	164,696
	<u>\$ 5,653,621</u>	<u>\$ 1,533,765</u>	<u>\$ 322,553</u>	<u>\$ 406,065</u>	<u>\$ 7,916,004</u>	<u>\$ 948,290</u>	<u>\$ 496,933</u>	<u>\$ 1,445,223</u>	<u>\$ 9,361,227</u>

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

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
 Combined Statements of Cash Flows
 For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 2,100,044	\$ 9,702,664
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	170,590	164,696
Donated stock	(20,133)	(3,732)
Contributions for capital expenditures	(2,552,354)	(6,979,837)
Realized gain on forgiveness of loan payable	-	(1,089,100)
Realized (gain) loss on investments	(347,197)	(240,513)
Unrealized (gain) loss on investments	2,047,516	(2,553,028)
Loss on sale of property and equipment	6,777	314
Changes in operating assets and liabilities		
Accounts receivable	1,504,413	(2,905,895)
Prepaid expenses and other current assets	(111,610)	(57,616)
Accounts payable and accruals	(462,974)	799,589
Deferred revenue	(539,522)	1,062,706
Net cash provided by (used in) operating activities	1,795,550	(2,099,752)
Cash flows from investing activities		
Purchase of investments	(5,003,891)	(1,383,504)
Proceeds from sales of investments	4,951,548	813,132
Proceeds from sale of property and equipment	-	215,477
Purchase of property and equipment	(6,733,429)	(3,379,129)
Net cash used in investing activities	(6,785,772)	(3,734,024)
Cash flows from financing activities		
Contributions received for capital expenditures	2,552,354	6,979,837
Net cash provided by financing activities	2,552,354	6,979,837
Net increase (decrease) in cash, cash equivalents and restricted cash	(2,437,868)	1,146,061
Cash, cash equivalents and restricted cash, beginning of year	9,599,851	8,453,790
Cash, cash equivalents and restricted cash, end of year	\$ 7,161,983	\$ 9,599,851
Cash, cash equivalents and restricted cash consisted of the following:		
Cash and cash equivalents	\$ 3,338,136	\$ 2,652,973
Cash and cash equivalents, restricted	3,823,847	6,946,878
	\$ 7,161,983	\$ 9,599,851

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

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

1. NATURE OF OPERATIONS

Helping Hand Home for Children, Inc. (the "Home") is a private nonprofit corporation formed in 1893 under the laws of the State of Texas, and governed by the membership of the Helping Hand Society. The Home provides a place to heal for abused, neglected and abandoned children. The Home provides a residential treatment center, foster care program, adoption services, and a charter school for emotionally disturbed children, and advocates for greater public support of early prevention, intervention, and treatment. The Home is the oldest continuously operating residential childcare agency in Travis County, a priceless resource kept strong and viable through community support.

The Residential Treatment Center focuses on supplanting the self-protective beliefs and socially inappropriate behaviors of the children with prosocial beliefs and collaborative behaviors. The children reside at the home and all of their needs are met through the Home. The UT Charter School (the "School"), in partnership with the University of Texas, is located on the campus of the Home and enhances the treatment plans of the children for their academic and behavioral needs. The School helps the most socially and academically challenged children by equipping them with the skills they need to succeed in the public school system.

Funding is provided primarily by state and local governments and contributions from the general public.

Helping Hand Home for Children Foundation (the "Foundation") was incorporated in 1994 for the purpose of receiving and maintaining a fund or funds of real or personal property, or both, for the Home. The Foundation is organized and operated exclusively for the benefit of, and to further the activities and purpose of, the Home. The Foundation holds and invests funds given to it for the benefit of the Home.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The combined financial statements of Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation (collectively, "Helping Hand" or the "Organization") have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as defined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). Net assets, revenues and expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting (continued)

The combined financial statements are presented in accordance with FASB ASC Topic 958-205, *Not-for-Profit Entities Presentation of Financial Statements*, which requires Helping Hand to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. In addition, Helping Hand is required to present the costs of providing various programs and other activities on a functional basis in the combined statements of activities. Costs are allocated between supporting services or the appropriate program service based on evaluations of the related benefits. Supporting service expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Helping Hand.

Principles of combination

The accompanying combined financial statements reflect the combined financial statements of the Home and the Foundation. All significant intercompany accounts and transactions have been eliminated in the combination.

Use of estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, Helping Hand evaluates its estimates, including those related to the useful lives of property and equipment, among others. Helping Hand bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from the estimates made by management with respect to these items and other items that require management's estimates.

Cash and cash equivalents

Helping Hand considers all highly liquid investments acquired with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash equivalents are stated at cost, which approximates market value, because of the short maturity of these instruments.

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents, restricted

Cash and cash equivalents, restricted, consist of highly liquid investments acquired with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash equivalents are stated at cost, which approximates market value, because of the short maturity of these instruments. The Organization has received restricted contributions for the expansion of its East Campus. The unexpended portion of such contributions are classified as "Cash and cash equivalents, restricted" in the accompanying combined statements of financial position.

Concentration of risk

Financial instruments that potentially subject Helping Hand to concentrations of risk consist of cash and cash equivalents, accounts receivable, and investments. Helping Hand maintains its cash and cash equivalent balances in highly rated financial institutions, which at times may exceed federally insured limits. Periodic excess deposits are due primarily to the timing of contributions and grant collections. Helping Hand has not experienced any loss relating to cash and cash equivalents in these accounts.

The Foundation has significant investments in money market funds, stocks, and bonds and is therefore subject to risk. Investments are made by investment managers engaged by the Foundation and are monitored by the Foundation's Board. Though the market value of investments is subject to fluctuations based on market activity, management believes the investment policy is prudent for the long-term welfare of the Home.

Funding sources representing more than 10% of Helping Hand's total accounts receivable and revenue at June 30, 2022 and for the year then ended are as follows:

	Accounts Receivable	Revenue
Source A	16%	26%
Source B	19%	-%

Additionally, two fundraising events represent 100% of Helping Hand's fundraising revenue for the year ended June 30, 2022.

Loss of these funding sources could have a material adverse impact on Helping Hand's financial position and results of operations.

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable

Accounts receivable are recorded at net realizable value. The Home continuously assesses the collectability of outstanding balances. In estimating this allowance, the Home considers factors such as: historical collection experience, age of the receivable balance, both individually and in the aggregate, and general economic conditions that may affect an entity's ability to pay. At June 30, 2022 and 2021, the Home did not provide for an allowance for doubtful accounts, as all amounts outstanding were deemed collectible. If amounts become uncollectible, they will be charged to expense when that determination is made.

Capital campaign pledges receivable

Capital campaign pledges receivable consists of legally-enforceable contributions to support the construction of the East Campus Expansion that have not yet been collected. Legally enforceable capital campaign pledges, less an allowance for uncollectible amounts, are recorded in the year made unless the pledge contains a donor-imposed conditional. Capital campaign pledges expected to be collected over multiple years are discounted to present value, if the discount is material. At June 30, 2022 and 2021, the Home did not provide for an allowance for doubtful accounts, as all amounts outstanding were deemed collectible. If amounts become uncollectible, they will be charged to expense when that determination is made.

Investments

The Foundation has adopted the provisions of ASC 320, *Investments-Debt and Equity*. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the combined statements of financial position. All interest, dividends, and realized and unrealized gains and losses are reported in the combined statements of activities as an increase or decrease in net assets without donor restrictions unless use is time or purpose restricted by explicit donor stipulations or by law. Any investment received as a gift is recorded at the fair value on the date of receipt.

Property and equipment

Property and equipment are carried at cost or, if donated, at the estimated fair market value at the date of the donation less accumulated depreciation. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are three to forty years for building and equipment, and five years for vehicles. When depreciable assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts. Any gains or losses are included in the Home's statements of activities. Major additions and betterments with a cost greater than or equal to \$5,000 and a useful life greater than one year are capitalized. Maintenance and repairs which do not materially improve or extend the lives of the respective assets are charged to expense as incurred.

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value of financial instruments

The Foundation follows ASC 820, *Fair Value Measurements and Disclosures*. Those provisions relate to the Foundation's financial assets and liabilities carried at fair value and the Foundation's fair value disclosures related to financial assets and liabilities. The Foundation groups its assets and liabilities measured at fair value in a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets, with valuations obtained from readily available pricing sources for market transactions involving identical assets or liabilities; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable, such as quoted prices for similar assets or liabilities; quoted prices in market that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The level of the fair value hierarchy in which the fair value measurement falls is determined by the lowest level input that is significant to the fair value measurement.

The Foundation's financial instruments consist principally of common stocks, mutual funds, corporate bonds, and government bonds. As shown in Note 7, these investments are categorized as Level 1 as they are valued at the closing price reported on the active market on which the individual securities are traded. The valuation may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Foundation recognizes transfers between levels at the end of the reporting period as if the transfers occurred on the last day of the reporting period. There were no transfers during the years ended June 30, 2022 or 2021.

Public support and revenue

Unconditional promises to give are recognized as revenues or gains in the period received, and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Helping Hand considers all contributions (unconditional promises to give) to be contributions without donor restrictions unless the restriction is a donor-imposed stipulation specifying a use for the contribution that is more specific than the broad limits resulting from the nature and purpose of the organization and its continuing programs. Contributions without donor restriction are recorded as an increase in net assets without donor restrictions available in the period in which the notice of the unconditional promise to give is received.

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Public support and revenue (continued)

Contributions or grants which result in new and nonrecurring programs as well as contributions received as the result of a capital campaign for the acquisition, construction or rehabilitation of property and equipment are considered contributions with donor restrictions.

Contributions or grants that contain a donor-imposed stipulation where the contributions cannot be used until a future period are recorded as time restricted contributions, which are recorded as increases in net assets with donor restriction in the period in which the notice of the grant award is received.

Net assets with donor restrictions are released to net assets without donor restriction in the period in which the use restriction has been met or the time restriction has lapsed. Contributions of property and equipment and contributions received for capital expenditures are classified as donor-restricted and are released from restriction when placed in service.

The Home earns revenue on state contracts monthly that is based on the number of children served. In addition, the Home receives revenue related to two significant fundraising events. The Home records tickets purchased by event attendees in advance of the event as deferred revenue, and recognizes the revenue on the date of the respective event.

Allocation of functional expenses

The Home allocates functional expenses among program services, management and general, and fundraising by a study of the Home's activities at the start of each grant or contract. The resulting allocations are reviewed periodically, and the allocations are revised, if necessary, to reflect changes in activities of the Home.

Income taxes

The Home and the Foundation are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Additionally, the Home and the Foundation are public charities under the IRC Sections 509(a)(1) and 170(b)(1)(A)(vi). Therefore, no provision for income taxes was made in the accompanying combined financial statements.

Helping Hand evaluates uncertain tax positions, if any exist, under ASC Topic 740, Income Taxes. Helping Hand accounts for uncertainty of income taxes based on a "more-likely-than-not" threshold for the recognition and de-recognition of tax positions, which includes the accounting for interest and penalties relating to tax positions. Helping Hand did not have any unrecognized tax benefits resulting from its tax positions at June 30, 2022 or 2021.

Helping Hand recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense. No such interest or penalties was recognized during the periods presented. Helping Hand had no accruals for interest and penalties at June 30, 2022 or 2021.

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

Subsequent events have been evaluated through November 16, 2022, which represents the date the financial statements were available to be issued, and no events have occurred through that date that would impact the financial statements.

3. CAPITAL CAMPAIGN PLEDGES RECEIVABLE

Capital campaign pledges receivable consisted of the following:

	2022	2021
Expected to be collected in:		
Less than 1 year	\$ 781,796	\$ 1,586,643
1-5 years	2,064,653	2,875,042
More than 5 years	39,500	50,000
	\$ 2,885,949	\$ 4,511,685

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2022	2021
Land	\$ 659,380	\$ 659,380
Buildings and equipment	6,883,775	4,281,037
Vehicles	170,152	170,152
East campus expansion construction in progress	7,939,978	3,875,710
	15,653,285	8,986,279
Accumulated depreciation	(2,926,722)	(2,815,778)
	\$ 12,726,563	\$ 6,170,501

Depreciation relating to the Home's property and equipment for the years ended June 30, 2022 and 2021 was \$170,590 and \$164,696, respectively.

The Organization is expanding its East Campus, and expects to complete construction in 2022. As of June 30, 2022, the Organization incurred and capitalized costs in "Construction in progress" in the amount of \$7,939,978, and placed completed buildings in service in the amount of \$2,392,524. The estimated costs to be incurred in future years to complete construction of the East Campus are approximately \$3,420,000.

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

5. RETIREMENT PLAN

The Home established a pension plan in 1991, which was later converted to a 401(k) retirement plan (the "Plan") for the benefit of employees. The Plan allows for bi-weekly contributions through payroll deductions. Individual employee contributions vary. The Home makes discretionary contributions to the Plan determined annually by the Board of Directors. The Home's contribution for the years ended June 30, 2022 and 2021 was \$203,180 and \$216,833, respectively.

6. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Home's working capital and cash flows have seasonal variations during the year attributable to receipts from fundraising events and concentration of donations near calendar year end. To manage liquidity, the Home maintains at least \$250,000 in a money market account with a commercial bank that may be drawn upon as needed during the year to manage cash flow and then repaid in full after collections of events or donations. In addition, the Home can request funds from the Foundation which has assets in excess of \$10 million. As the Foundation's board would need to approve a transfer of funds to the Home, these funds have been excluded from the table below.

The following reflects the Home's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations. Amounts not available include board designated reserve set aside for operating and other reserves that could be drawn upon if the board of directors approves that action.

	2022	2021
Current financial assets:		
Cash and cash equivalents	\$ 2,076,486	\$ 2,281,241
Cash and cash equivalents, restricted	3,823,847	6,946,878
Accounts receivable, net	3,635,718	5,140,131
	9,536,051	14,368,250
Less resources unavailable for general operations within one year due to donor-imposed time or purpose restriction:		
East Campus Expansion, net of construction in progress in the amount of \$7,939,978 and \$3,875,510, respectively	(6,423,901)	(10,464,934)
Grants	(304,364)	(133,969)
Programs and other	(31,776)	(44,806)
	(6,760,041)	(10,643,709)
	\$ 2,776,010	\$ 3,724,541

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

7. INVESTMENTS IN MARKETABLE SECURITIES

The Helping Hand's investments in marketable securities at June 30, 2022 are as follows:

	<u>Cost</u>	<u>Level 1 Fair Value</u>
Common Stock	\$ 5,768,596	\$ 7,147,772
Mutual Funds	475,000	400,893
Corporate Funds	1,877,057	1,839,331
Government Funds	921,544	913,876
Mutual funds - alternative investments	747,000	750,077
Mutual funds - real assets	<u>450,118</u>	<u>442,644</u>
	<u>\$ 10,239,315</u>	<u>\$ 11,494,593</u>

The Helping Hand's investments in marketable securities at June 30, 2021 are as follows:

	<u>Cost</u>	<u>Level 1 Fair Value</u>
Common stock	\$ 5,563,522	\$ 8,795,107
Mutual Funds	2,688,827	2,651,854
Corporate Funds	355,372	357,175
Government Funds	32,124	32,193
Mutual funds - alternative investments	747,000	815,991
Mutual funds - real assets	<u>450,118</u>	<u>470,116</u>
	<u>\$ 9,836,963</u>	<u>\$ 13,122,436</u>

The Helping Hand invests in mutual funds with various investment strategies. Mutual funds – alternative investments are publicly traded and hold alternative investments, primarily long and short positions. Mutual funds – real assets are publicly traded and hold investments in real assets.

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

7. INVESTMENTS IN MARKETABLE SECURITIES (continued)

The Helping Hand's investment returns are as follows:

	2022	2021
Foundation:		
Interest and dividend income	\$ 471,463	\$ 400,549
Realized gain	347,197	240,513
Unrealized gain (loss)	(2,047,516)	2,553,028
Investment management expenses	(69,895)	(66,360)
	(1,298,751)	3,127,730
Home:		
Interest and dividend income	3,623	8,536
	3,623	8,536
	\$ (1,295,128)	\$ 3,136,266

8. LOAN PAYABLE

As part of the federal government's response to the economic impacts of COVID-19, in March 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted which, among other measures, provided for the Paycheck Protection Program (PPP) administered by the U.S. Small Business Administration. In April 2020, the Organization applied and was approved for a PPP loan in the amount of approximately \$1.1 million. This funding was received by the Organization on April 20, 2020. The PPP loan was forgiven in full in November 2020, and no interest was incurred.

9. COMMITMENTS AND CONTINGENCIES

The Home is funded by grants and contracts that are subject to review and audit by the grantor agencies. These grants and contracts have certain compliance requirements and, should audits by the grantor agencies disclose any areas of substantial noncompliance, the Home may be required to refund any disallowed costs.

In the normal course of business, the Organization may become involved in various lawsuits, legal proceedings, or investigations. While the ultimate results of these matters cannot be predicted with certainty, management does not expect them to have a material adverse effect on the financial position or results of operations of the Organization.

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2022	2021
Home:		
Grants specified for program services	\$ 304,364	\$ 133,969
Gifts specified for program services	28,803	40,584
Capital improvements	14,363,879	14,340,444
Benevolent fund - society members	<u>2,973</u>	<u>4,223</u>
	<u>14,700,019</u>	<u>14,519,220</u>
Foundation:		
Endowment Fund	137,626	132,626
Endowment Earnings for Home	<u>34,371</u>	<u>45,351</u>
	<u>171,997</u>	<u>177,977</u>
	<u>\$ 14,872,016</u>	<u>\$ 14,697,197</u>

Net assets were released from donor restrictions as expenses were incurred that satisfy the restricted purposes or the occurrence of other events specified by donors, as follows:

	2022	2021
Program services	\$ 1,297,488	\$ 1,517,972
Capital project expenses	138,948	406,065
Completed capital projects placed in service	<u>2,392,524</u>	<u>-</u>
	<u>\$ 3,828,960</u>	<u>\$ 1,924,037</u>

11. BOARD DESIGNATED NET ASSETS

The Foundation's Board designated the Foundation's net assets without donor restrictions as follows as of June 30, 2022 and 2021. The Board monitors the balance of the net assets of the Foundation and with the approval of the Home's Board may change the designation at its discretion.

Net assets without donor restrictions are designated as follows:

	2022	2021
Reserve Fund	\$ 3,407,806	\$ 3,407,807
Home Fund	<u>9,174,812</u>	<u>9,908,420</u>
	<u>\$ 12,582,618</u>	<u>\$ 13,316,227</u>

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Notes to Combined Financial Statements
June 30, 2022 and 2021

12. ENDOWMENTS

The Foundation holds a true-donor restricted endowment, which is classified according to donor's restrictions.

Foundation has interpreted the Texas Uniform Prudent Management of Institutional Funds Act ("TUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the true-donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment by donors, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the true-donor restricted endowments that is not classified in donor-restricted net assets invested in perpetuity is classified as donor-restricted net assets not invested in perpetuity until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by TUPMIFA.

Changes in endowment net assets were as follows:

	2022	2021
Endowment net assets, beginning of year	\$ 132,626	\$ 127,626
Contributions	5,000	5,000
	\$ 137,626	\$ 132,626

SUPPLEMENTARY INFORMATION

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Combining Statement of Financial Position
June 30, 2022 and 2021

ASSETS

	Helping Hand Home for Children, Inc.	Helping Hand Home for Children Foundation	Eliminating Entries	2022 Total	2021 Total
Current assets					
Cash and cash equivalents	\$ 2,076,486	\$ 1,261,650	\$ -	\$ 3,338,136	\$ 2,652,973
Cash and cash equivalents, restricted	3,823,847	-	-	3,823,847	6,946,878
Investments in marketable securities	-	11,494,593	-	11,494,593	13,122,436
Accounts receivable	749,769	-	-	749,769	628,446
Capital campaign pledges receivable, current	781,796	-	-	781,796	1,586,643
Prepaid expenses and other current assets	223,151	-	(1,628)	221,523	109,913
Total current assets	<u>7,655,049</u>	<u>12,756,243</u>	<u>(1,628)</u>	<u>20,409,664</u>	<u>25,047,289</u>
Long-term assets					
Capital campaign pledges receivable, net of current	2,104,153	-	-	2,104,153	2,925,042
Property and equipment, net	12,726,563	-	-	12,726,563	6,170,501
Total long-term assets	<u>14,830,716</u>	<u>-</u>	<u>-</u>	<u>14,830,716</u>	<u>9,095,543</u>
 Total assets	 <u>\$ 22,485,765</u>	 <u>\$ 12,756,243</u>	 <u>\$ (1,628)</u>	 <u>\$ 35,240,380</u>	 <u>\$ 34,142,832</u>

LIABILITIES

Current liabilities					
Accounts payable	\$ 42,498	\$ 1,628	\$ (1,628)	\$ 42,498	\$ 77,902
Accrued liabilities	850,921	-	-	850,921	1,278,491
Deferred revenue	1,030,285	-	-	1,030,285	1,569,807
Total current liabilities	<u>1,923,704</u>	<u>1,628</u>	<u>(1,628)</u>	<u>1,923,704</u>	<u>2,926,200</u>
Net assets					
Without donor restrictions	5,862,042	12,582,618	-	18,444,660	16,519,435
With donor restrictions	14,700,019	171,997	-	14,872,016	14,697,197
Total net assets	<u>20,562,061</u>	<u>12,754,615</u>	<u>-</u>	<u>33,316,676</u>	<u>31,216,632</u>
 Total liabilities and net assets	 <u>\$ 22,485,765</u>	 <u>\$ 12,756,243</u>	 <u>\$ (1,628)</u>	 <u>\$ 35,240,380</u>	 <u>\$ 34,142,832</u>

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Combining Statement of Activities
For The Years Ended June 30, 2022 and 2021

	2022			2021		
	Helping Hand Home for Children, Inc.	Helping Hand Home for Children Foundation	2022 Total	Helping Hand Home for Children, Inc.	Helping Hand Home for Children Foundation	2021 Total
Changes in net assets without donor restrictions						
Public support and revenue						
Program revenue	\$ 3,647,325	\$ -	\$ 3,647,325	\$ 4,113,351	\$ -	\$ 4,113,351
Contributions and public support	1,468,064	92,483	1,560,547	1,230,397	49,317	1,279,714
Fundraising events	3,266,244	-	3,266,244	634,088	-	634,088
In-kind support	429,645	-	429,645	362,320	-	362,320
Other revenue	135,530	20	135,550	1,110,627	78	1,110,705
Investment income/(loss)	<u>1,071</u>	<u>(1,287,771)</u>	<u>(1,286,700)</u>	<u>1,222</u>	<u>3,087,855</u>	<u>3,089,077</u>
Total public support and revenue	8,947,879	(1,195,268)	7,752,611	7,452,005	3,137,250	10,589,255
Contributions from Home to Foundation	(500,000)	500,000	-	-	-	-
Expenses paid by Foundation to Home	18,000	(18,000)	-	18,000	(18,000)	-
Net assets released from restrictions						
Restrictions satisfied by payments	1,436,436	-	1,436,436	1,924,037	-	1,924,037
Release of capital expenditures placed in service	<u>2,392,524</u>	<u>-</u>	<u>2,392,524</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public support, revenue, and net assets released from restrictions	<u>12,294,839</u>	<u>(713,268)</u>	<u>11,581,571</u>	<u>9,394,042</u>	<u>3,119,250</u>	<u>12,513,292</u>
Functional expenses						
Program services						
Residential Treatment Center	5,097,328	-	5,097,328	5,653,621	-	5,653,621
Foster Care	1,472,126	-	1,472,126	1,533,765	-	1,533,765
UT Charter School	301,746	-	301,746	322,553	-	322,553
East Campus Expansion	138,948	-	138,948	406,065	-	406,065
Total program services	<u>7,010,148</u>	<u>-</u>	<u>7,010,148</u>	<u>7,916,004</u>	<u>-</u>	<u>7,916,004</u>
Supporting services						
Management and general	1,037,263	20,341	1,057,604	933,796	14,494	948,290
Fundraising	<u>1,588,594</u>	<u>-</u>	<u>1,588,594</u>	<u>496,933</u>	<u>-</u>	<u>496,933</u>
Total supporting services	<u>2,625,857</u>	<u>20,341</u>	<u>2,646,198</u>	<u>1,430,729</u>	<u>14,494</u>	<u>1,445,223</u>
Total functional expenses	<u>9,636,005</u>	<u>20,341</u>	<u>9,656,346</u>	<u>9,346,733</u>	<u>14,494</u>	<u>9,361,227</u>
Changes in net assets without donor restrictions	2,658,834	(733,609)	1,925,225	47,309	3,104,756	3,152,065
Net assets without donor restrictions at beginning of year	<u>3,203,208</u>	<u>13,316,227</u>	<u>16,519,435</u>	<u>3,155,899</u>	<u>10,211,471</u>	<u>13,367,370</u>
Net assets without donor restrictions at end of year	<u>\$ 5,862,042</u>	<u>\$ 12,582,618</u>	<u>\$ 18,444,660</u>	<u>\$ 3,203,208</u>	<u>\$ 13,316,227</u>	<u>\$ 16,519,435</u>

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Combining Statement of Activities
For The Years Ended June 30, 2022 and 2021

	2022			2021		
	Helping Hand Home for Children, Inc.	Helping Hand Home for Children Foundation	2022 Total	Helping Hand Home for Children, Inc.	Helping Hand Home for Children Foundation	2021 Total
Changes in net assets with donor restrictions						
Public support and revenue						
Contributions and public support	\$ 41,900	\$ 5,000	\$ 46,900	\$ 27,149	\$ 5,000	\$ 32,149
Investment income/(loss)	2,552	(10,980)	(8,428)	7,314	39,875	47,189
Grants and contracts	1,412,953	-	1,412,953	1,415,461	-	1,415,461
East Campus Expansion	<u>2,552,354</u>	<u>-</u>	<u>2,552,354</u>	<u>6,979,837</u>	<u>-</u>	<u>6,979,837</u>
Total public support and revenue	<u>4,009,759</u>	<u>(5,980)</u>	<u>4,003,779</u>	<u>8,429,761</u>	<u>44,875</u>	<u>8,474,636</u>
Net assets released from restrictions						
Restrictions satisfied by payments	(1,436,436)	-	(1,436,436)	(1,924,037)	-	(1,924,037)
Release of capital expenditures placed in service	<u>(2,392,524)</u>	<u>-</u>	<u>(2,392,524)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public support, revenue, and net assets released from restrictions	<u>180,799</u>	<u>(5,980)</u>	<u>174,819</u>	<u>6,505,724</u>	<u>44,875</u>	<u>6,550,599</u>
Changes in net assets with donor restrictions	180,799	(5,980)	174,819	6,505,724	44,875	6,550,599
Net assets with donor restrictions at beginning of year	<u>14,519,220</u>	<u>177,977</u>	<u>14,697,197</u>	<u>8,013,496</u>	<u>133,102</u>	<u>8,146,598</u>
Net assets with donor restrictions at end of year	<u>\$ 14,700,019</u>	<u>\$ 171,997</u>	<u>\$ 14,872,016</u>	<u>\$ 14,519,220</u>	<u>\$ 177,977</u>	<u>\$ 14,697,197</u>

Helping Hand Home for Children, Inc. and Helping Hand Home for Children Foundation
Combining Statements of Cash Flow
For The Years Ended June 30, 2022 and 2021

	Helping Hand Home for Children, Inc.	Helping Hand Home for Children Foundation	Eliminating Entries	2022 Total	2021 Total
Cash flows from operating activities					
Changes in net assets	\$ 2,839,633	\$ (739,589)	\$ -	\$ 2,100,044	\$ 9,702,664
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities					
Depreciation	170,590	-	-	170,590	164,696
Donated stock	-	(20,133)	-	(20,133)	(3,732)
Contributions for capital expenditures	(2,552,354)	-	-	(2,552,354)	(6,979,837)
Realized gain on forgiveness of loan payable	-	-	-	-	(1,089,100)
Realized (gain) loss on investments	-	(347,197)	-	(347,197)	(240,513)
Unrealized (gain) loss on investments	-	2,047,516	-	2,047,516	(2,553,028)
Loss on sale of property and equipment	6,777	-	-	6,777	314
Changes in operating assets and liabilities					
Accounts receivable	1,504,413	-	-	1,504,413	(2,905,895)
Prepaid expenses and other current assets	(113,238)	36	1,592	(111,610)	(57,616)
Accounts payable and accruals	(463,010)	1,628	(1,592)	(462,974)	799,589
Deferred revenue	(539,522)	-	-	(539,522)	1,062,706
Net cash provided by (used in) operating activities	<u>853,289</u>	<u>942,261</u>	<u>-</u>	<u>1,795,550</u>	<u>(2,099,752)</u>
Cash flows from investing activities					
Purchase of investments	-	(5,003,891)	-	(5,003,891)	(1,383,504)
Proceeds from sales of investments	-	4,951,548	-	4,951,548	813,132
Proceeds from sale of property and equipment	-	-	-	-	215,477
Purchase of property and equipment	(6,733,429)	-	-	(6,733,429)	(3,379,129)
Net cash used in investing activities	<u>(6,733,429)</u>	<u>(52,343)</u>	<u>-</u>	<u>(6,785,772)</u>	<u>(3,734,024)</u>
Cash flows from financing activities					
Contributions received for capital expenditures	<u>2,552,354</u>	<u>-</u>	<u>-</u>	<u>2,552,354</u>	<u>6,979,837</u>
Net cash provided by financing activities	<u>2,552,354</u>	<u>-</u>	<u>-</u>	<u>2,552,354</u>	<u>6,979,837</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(3,327,786)	889,918	-	(2,437,868)	1,146,061
Cash, cash equivalents and restricted cash, beginning of year	<u>9,228,119</u>	<u>371,732</u>	<u>-</u>	<u>9,599,851</u>	<u>8,453,790</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 5,900,333</u>	<u>\$ 1,261,650</u>	<u>\$ -</u>	<u>\$ 7,161,983</u>	<u>\$ 9,599,851</u>