



**Financial Statements**

**December 31, 2023**

**The Children's Place, Inc.**  
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## Independent Auditor's Report

To the Board of Directors  
The Children's Place, Inc.  
Kansas City, Missouri

### ***Opinion***

We have audited the financial statements of The Children's Place, Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Children's Place, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit 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 Children's Place, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Children's Place, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Children's Place, Inc.'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 Children's Place, Inc.'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.

*Beyan KDV, LLC*

Omaha, Nebraska  
August 27, 2024

**The Children's Place, Inc.**  
**Statement of Financial Position**  
**December 31, 2023**

**Assets**

Cash and cash equivalents	\$ 1,774,347
Restricted cash	211,026
Receivables:	
Governmental agencies	366,153
Grants	320,598
Unconditional promises to give	425,077
Prepaid expenses	12,326
Investments, board-designated endowment	15,520,699
Property and equipment, net	<u>10,962,184</u>
 Total assets	 <u><u>\$ 29,592,410</u></u>

**Liabilities and Net Assets**

<b>Liabilities</b>	
Accounts payable	\$ 223,696
Refundable advances	175,551
Accrued payroll and related liabilities	214,512
Note payable	<u>110,387</u>
 Total liabilities	 <u>724,146</u>

**Net assets**

<b>Without donor restrictions</b>	
Undesignated	1,993,144
Invested in property and equipment, net	10,851,797
Board-designated endowment	<u>15,520,699</u>
Total net assets without donor restrictions	28,365,640
 With donor restrictions	 <u>502,624</u>
 Total net assets	 <u>28,868,264</u>
 Total liabilities and net assets	 <u><u>\$ 29,592,410</u></u>

**The Children's Place, Inc.**  
**Statement of Activities**  
**Year Ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions and grants	\$ 3,330,621	\$ 545,201	\$ 3,875,822
Program services	836,706	-	836,706
Special events, less direct expenses	594,629	-	594,629
Miscellaneous	64,236	-	64,236
Investment return, net	1,528,051	-	1,528,051
Total support and revenue	<u>6,354,243</u>	<u>545,201</u>	<u>6,899,444</u>
Net assets released from restrictions	<u>523,489</u>	<u>(523,489)</u>	<u>-</u>
Expenses			
Program expenses	3,909,582	-	3,909,582
Management and general	646,025	-	646,025
Fundraising	539,859	-	539,859
Total expenses	<u>5,095,466</u>	<u>-</u>	<u>5,095,466</u>
Change in net assets	1,782,266	21,712	1,803,978
Net assets - beginning of year	<u>26,583,374</u>	<u>480,912</u>	<u>27,064,286</u>
Net assets - end of year	<u>\$ 28,365,640</u>	<u>\$ 502,624</u>	<u>\$ 28,868,264</u>

**The Children's Place, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2023**

	Program Services				Supporting Services			Total Expenses
	Day Treatment Services	Family Support Services	Counseling Center	Total	Management and General	Fundraising	Cost of Direct Benefits to Donors	
Payroll and employee benefits	\$ 2,237,628	\$ 133,689	\$ 441,735	\$ 2,813,052	\$ 293,109	\$ 442,556	\$ -	\$3,548,717
Purchased services	516,443	9,093	61,768	587,304	184,633	53,298	-	825,235
Supplies	59,278	1,152	7,762	68,192	13,125	11,681	-	92,998
Professional fees	59,486	2,871	12,128	74,485	47,243	9,823	-	131,551
Interest and finance charges	-	-	-	-	9,290	-	-	9,290
Insurance	37,114	2,290	7,114	46,518	4,944	7,920	-	59,382
Equipment rental and repair	16,744	40	240	17,024	2,147	45	-	19,216
Meals and entertainment	-	-	-	-	-	-	238,289	238,289
Depreciation	206,427	11,701	35,036	253,164	73,750	13,030	-	339,944
Other expenses	47,880	468	1,495	49,843	17,784	1,506	-	69,133
<b>Total expenses</b>	<b>3,181,000</b>	<b>161,304</b>	<b>567,278</b>	<b>3,909,582</b>	<b>646,025</b>	<b>539,859</b>	<b>238,289</b>	<b>5,333,755</b>
Less expenses included with revenues on the statement of activities								
Cost of direct benefits to donors	-	-	-	-	-	-	(238,289)	(238,289)
<b>Total expenses included in the expense section on the statement of activities</b>	<b>\$ 3,181,000</b>	<b>\$ 161,304</b>	<b>\$ 567,278</b>	<b>\$ 3,909,582</b>	<b>\$ 646,025</b>	<b>\$ 539,859</b>	<b>\$ -</b>	<b>\$5,095,466</b>

See notes to financial statements.

**The Children's Place, Inc.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2023**

Cash flows - operating activities	
Change in net assets	<u>\$ 1,803,978</u>
Adjustments to reconcile change in net assets to net cash flows - operating activities:	
Depreciation	339,944
Donated investment securities	(285,272)
Net unrealized gain on investments	(1,524,874)
Net realized loss on investments	472,818
Fees paid from investments	43,047
(Increase) decrease in operating assets	
Grants and governmental agencies receivable	512,658
Unconditional promises to give	(43,936)
Prepaid expenses	1,844
Increase (decrease) in operating liabilities	
Accounts payable	122,612
Accrued payroll and related liabilities	50,318
Refundable advances	(2,263)
Total adjustments	<u>(313,104)</u>
Net cash flows - operating activities	<u>1,490,874</u>
Cash flows - investing activities	
Purchases of property and equipment	(81,127)
Purchases of investments	(10,407,926)
Proceeds from sale of investments	9,936,564
Net cash flows - investing activities	<u>(552,489)</u>
Cash flows - financing activities	
Payments on note payable	<u>(295,638)</u>
Net change in cash and cash equivalents	642,747
Cash and cash equivalents - beginning of year	<u>1,342,626</u>
Cash and cash equivalents - end of year	<u><u>\$ 1,985,373</u></u>
Supplemental disclosure of cash flow information	
Cash payments during the year for interest	<u><u>\$ 9,290</u></u>

See notes to financial statements.



**The Children's Place, Inc.**  
**Notes to the Financial Statements**

**NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

The Children's Place, Inc. (the Organization) is a Missouri not-for-profit corporation. The Organization provides continuum of trauma-responsive services for young children and families and is supported primarily through fees from government and other agencies, donor contributions, and the United Way. The Organization's current programs are as follows:

- **Day Treatment Services** - provides comprehensive, multi-disciplinary therapeutic services to children ages one to five years in order to remediate severe development delays or behavior/emotional problems typically resulting from abuse, neglect, or prenatal substance abuse.
- **Family Support Services** - provides educational opportunities to enhance adults' parenting skills by offering knowledge and support to create a healthy, safe, and nurturing environment for children in their care.
- **Counseling Center** - provides quality, comprehensive mental health treatment services to children eight years and younger and their families in order to improve individual and/or family functioning.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash, Cash Equivalents, and Restricted Cash**

Cash and cash equivalents include highly liquid investments, with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes. Cash and highly liquid financial instruments restricted for specified purposes are shown as restricted cash.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position to the sum of the corresponding amounts within the statements of cash flows:

Cash and cash equivalents	\$ 1,774,347
Restricted cash	<u>211,026</u>
Total	<u>\$ 1,985,373</u>

**Receivables and Allowance for Expected Credit Losses**

Receivables consist of amounts due from governmental agencies for program services and amounts due from grants. Receivables are recorded at net realizable value based on standard charges for services provided, reduced by contractual adjustments provided to third-party payors. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change.

**The Children's Place, Inc.**  
**Notes to the Financial Statements**

**NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)**

**Receivables and Allowance for Expected Credit Losses (Continued)**

Refundable advances consist of unspent amounts received on conditional contributions and governmental grants.

Allowance for credit losses arising from uncollectible receivables is based on relevant available information, both from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. Management reviews current status of the receivables and currently charges off all accounts which are determined to be uncollectible. Management has determined that the allowance for credit losses as of December 31, 2023, is immaterial.

**Unconditional Promises to Give**

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. The discount on these amounts is computed using a risk-free interest rate applicable to the year in which the contribution is made. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. As of December 31, 2023, no allowance for uncollectible pledges or discount to net present value was considered necessary.

**Concentrations of Credit Risk**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments, receivables, and promises to give. The Organization places its cash and cash equivalents with a limited number of financial institutions, which at times exceed the FDIC insurance limits. Credit risk associated with receivables and promises to give is considered to be limited due to historical collection rates and a substantial portion of the outstanding amounts are due from governmental agencies and foundations supportive of the mission of the Organization.

Investments are made by diversified investment managers whose performance is monitored by management and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

**Investments**

Investment purchases are reported at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, and realized and unrealized gains and losses, net of investment fees.

**The Children's Place, Inc.**  
**Notes to the Financial Statements**

**NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment are recorded at cost, or fair value if donated, with depreciation computed using the straight-line method over the estimated useful lives of the assets. The Organization follows the policy of capitalizing all property and equipment expenditures over \$2,500 with an estimated useful life of greater than one year unless general contract conditions call for a lower amount. The following estimated useful lives are used to compute depreciation:

Building and improvements	15-50 years
Furnishings and equipment	5-20 years
Motor vehicles	5-10 years

The Organization reviews its investment in property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flow expected to be generated by the real property including any estimated proceeds from the eventual disposition of the property and equipment. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property and equipment exceeds the fair value of such property. There were no impairment losses recognized in 2023.

**Compensated Absences**

Annual vacation time earned is based on the length of employment and ranges from 120 to 160 hours and, depending on their length of service, employees can accumulate 80 to 120 hours of vacation which may be carried over into the following year. The liability for earned but unused vacation time as of December 31, 2023 is recorded in accrued payroll and related liabilities in statement of financial position. Sick leave does not accumulate, and no accrual is required.

**Net Assets**

Net assets, revenues, gains, and other support 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 grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

*Net Assets With Donor Restrictions* - Net assets subject to donor or grantor-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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**The Children's Place, Inc.**  
**Notes to the Financial Statements**

**NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

The Organization recognizes revenues from program fees as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. The performance obligations are satisfied over time as the client simultaneously receives and consumes the benefits of the services.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. 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, 2023.

**Donated Materials and Services**

Donated materials and services are reflected as contributions in the accompanying statements at their estimated fair value at date of receipt. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with its operations. The Organization did not record any donated materials or services during the year ended December 31, 2023.

**Income Taxes**

The Organization is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Code.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The financial statements report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include insurance, utilities, and depreciation, which are allocated based on square footage, supplies, equipment rental and repairs and other expenses, which are allocated based on the number of employees, and payroll and employee benefits, and purchased services, which are allocated on the basis of estimates of time and effort.

**Subsequent Events**

Management has evaluated subsequent events through August 27, 2024, the date which the financial statements were available for issue.

**The Children's Place, Inc.**  
**Notes to the Financial Statements**

**NOTE 2 - LIQUIDITY AND AVAILABILITY**

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

Financial assets at year end	
Cash and cash equivalents	\$ 1,774,347
Restricted cash	211,026
Governmental agencies	366,153
Grants	320,598
Unconditional promises to give	425,077
Investments, board designated endowment	15,520,699
Total financial assets	<u>18,617,900</u>
Less amounts unavailable for general expenditures within one year, due to	
Net assets with donor imposed restrictions	(502,624)
Board-designated endowment funds	<u>(15,520,699)</u>
Total financial assets available for general expenditure within one year	<u>\$ 2,594,577</u>

As part of its liquidity management practices, the Organization structures the timing of its fundraising activities to supplement revenue received from program activities to ensure that sufficient cash is available to meet its normal operating expense needs during the year. Excess cash is invested in short term investments, including money market accounts and certificates of deposit. In its annual budget, the Organization anticipates needing no appropriation of financial assets from the board-designated endowment fund discussed in Note 10 beyond the current year's expected investment return. However, amounts from the fund could be made available for general operating expenses, if necessary, in the event of an unanticipated liquidity needs.

**NOTE 3 - INVESTMENTS**

In accordance with US GAAP, the Organization determines the fair value of investments and other assets using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, which establishes a 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 under FASB ASC 820 are described as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

**The Children's Place, Inc.**  
**Notes to the Financial Statements**

**NOTE 3 - INVESTMENTS(CONTINUED)**

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

A significant portion of the Organization's investment assets are classified within Level 1 because they comprise open-end mutual funds and money market funds with readily determinable fair values based on daily redemption values. U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

The following table sets forth information about the level within the fair value hierarchy at which the Organization's financial assets are measured on a recurring basis as of December 31, 2023:

	Fair Value	Level 1 Inputs	Level 2 Inputs
Equity securities and mutual funds	\$ 9,619,453	\$ 9,619,453	\$ -
Government and corporate bonds	5,176,987	-	5,176,987
Cash and money market funds	724,259	724,259	-
	<u>\$ 15,520,699</u>	<u>\$ 10,343,712</u>	<u>\$ 5,176,987</u>

At December 31, 2023, all invested funds were included in the board-designated endowment.

**NOTE 4 - RETIREMENT PLAN**

The Organization maintains a defined contribution retirement plan which covers substantially all employees. Contributions are made at the discretion of the Board of Directors. During 2023, the Organization made employer matching contributions to the plan totaling \$19,834.

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31, 2023:

Motor vehicles	163,435
Furnishings and equipment	862,193
Land	1,062,676
Building and improvements	9,982,832
Subtotal	<u>12,071,136</u>
Less: accumulated depreciation	<u>(1,108,952)</u>
Total	<u>\$ 10,962,184</u>

Depreciation expense in 2023 totaled \$339,944.

**The Children's Place, Inc.**  
**Notes to the Financial Statements**

**NOTE 6 - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give in the amount of \$425,077 as of December 31, 2023 are all due within one year.

**NOTE 7 - LINE OF CREDIT**

The Organization had a line of credit with UMB Bank. The agreement provided for a maximum line balance of \$200,000. Amounts borrowed under the agreement bear interest at the prime rate less .5% with a floor of 2.75%. As of December 31, 2023 the interest rate was 8.00% and there were no borrowings. This note matured June 30, 2024 and management has chosen not to renew.

**NOTE 8 - CONSTRUCTION LOAN**

The Organization received a \$6,000,000 first mortgage construction loan commitment dated September 26, 2019, from UMB Bank to finance the costs of improvements to the new building. The loan has an interest rate of 3.61% and matures on September 26, 2024. This loan is secured by the new building and the assignment of the capital campaign pledges. As of December 31, 2023, the outstanding balance was \$110,387. Interest expense for the year ended December 31, 2023 was \$9,290.

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes or periods as of December 31, 2023:

Subject to expenditure for specified purpose:

Day treatment services	\$ 357,070
Family support services	6,888
Counseling center	41,252
Building purposes	9,784
Total subject to expenditure for specified purpose	<u>414,994</u>

Subject to the passage of time :

United Way allocation for 2024	37,630
Other grants for 2024	50,000
Total subject to the passage of time	<u>87,630</u>
Total net assets with donor restrictions	<u><u>\$ 502,624</u></u>

**The Children's Place, Inc.**  
**Notes to the Financial Statements**

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS(CONTINUED)**

Net assets released from restrictions by satisfying the purpose or time restrictions specified by donors during the year ended December 31, 2023 were as follows:

Day treatment services	\$ 396,459
Family support services	7,484
Counseling center	29,581
Building purposes	24,836
Expiration of time restrictions	65,129
Total net assets released from restrictions	<u>\$ 523,489</u>

**NOTE 10 - DESIGNATED ENDOWMENT FUND**

The Organization maintains board-designated endowment funds for the purpose of generating an investment return to support its operations and fund expansion of programs or facilities. The investment objectives are to provide a reasonable rate of return while prioritizing the preservation of capital consistent with a prudent level of risk. To accomplish these objectives, the Organization has established asset allocation ranges for equity securities and mutual funds, fixed income investments, and cash equivalents. All assets of the board-designated endowment fund are invested in marketable securities that can readily be converted into cash.

The amount appropriated for spending is based on the amount budgeted and is subject to various guidelines, primarily a limitation of 50% of the average of the fair market value of the endowment at the end of the last three calendar years. However, all assets of the endowment fund could be made available for general operating expenses in the event of an unanticipated liquidity need.

The changes in the net assets of the fund for the year ended December 31, 2023 are as follows:

Net assets, beginning of year	\$ 13,755,056
Board contributions	285,272
Realized loss	(472,818)
Unrealized gain	1,524,874
Dividends and interest	471,362
Fees paid from investments	(43,047)
Net assets, end of year	<u>\$ 15,520,699</u>



**The Children's Place, Inc.**  
**Notes to the Financial Statements**

**NOTE 11 - EMPLOYEE RETENTION CREDITS**

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") signed into law on March 27, 2020, and the subsequent extension of the CARES Act, the Organization was eligible for a refundable employee retention credit subject to certain criteria. As of December 31, 2023, \$234,983 of the credits are still outstanding and are reflected in the statement of financial position in receivables from government agencies.