Child Abuse Prevention Center, Inc. and Affiliate

Consolidated Audited Financial Statements

December 31, 2023

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C O N T E N T S

Independent Auditor's Report

Board of Directors
Child Abuse Prevention Center, Inc. and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of Child Abuse Prevention Center, Inc. and Affiliate (the "Center"), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Center as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 Center'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Center's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Sax CPAs LLP

New York, NY
August 22, 2024

Child Abuse Prevention Center, Inc. and Affiliate

Consolidated Statement of Financial Position

As of December 31, 2023
(With comparative totals as of December 31, 2022)

	December 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	$ 40,732	$ 21,949
Government grants receivable	258,327	200,209
Pledges receivable	13,693	6,050
Prepaid expenses and other assets	-	4,974
Beneficial interest in assets	6,907	40,296
Property and equipment	1,285,150	1,334,608
TOTAL ASSETS	**$ 1,604,809**	**$ 1,608,086**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 100,873	$ 67,627
Line of credit payable	35,000	59,317
Total liabilities	135,873	126,944
NET ASSETS		
Without donor restrictions	1,468,936	1,481,142
Total net assets	1,468,936	1,481,142
TOTAL LIABILITIES AND NET ASSETS	**$ 1,604,809**	**$ 1,608,086**

The attached notes and auditor's report are an integral part of these financial statements.

Child Abuse Prevention Center, Inc. and Affiliate

Consolidated Statement of Activities

For the Year Ended December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	December 31, 2023	December 31, 2022
PUBLIC SUPPORT AND REVENUE		
Government grants	$ 704,347	$ 548,533
Contributions	183,228	133,235
Special event income (net of expenses with a direct benefit to donors)	224,927	248,368
Interest and other income	46	89
Total public support and revenue	1,112,548	930,225
EXPENSES		
Program services	797,787	765,439
General and administrative	214,960	173,026
Fundraising	114,191	132,114
Total expenses	1,126,938	1,070,579
Change in net assets from operations	**(14,390)**	**(140,354)**
NON-OPERATING ACTIVITY		
Change in beneficial interest in assets	2,184	(9,691)
Total non-operating activity	2,184	(9,691)
Change in net assets from operations	**(12,206)**	**(150,045)**
NET ASSETS, ***beginning of year***	1,481,142	1,631,187
NET ASSETS, ***end of year***	**$ 1,468,936**	**$ 1,481,142**

The attached notes and auditor's report are an integral part of these financial statements.

Child Abuse Prevention Center, Inc. and Affiliate

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	Program Services	Management & General	Fundraising	Total Expenses 12/31/23	Total Expenses 12/31/22
Salaries	$ 483,134	$ 101,955	$ 74,301	$ 659,390	$ 625,061
Payroll taxes and benefits	79,680	15,718	12,254	107,652	118,998
Professional fees	75,799	42,571	975	119,345	115,398
Client assistance and supplies	7,729	-	-	7,729	6,430
Office expenses	17,701	3,736	2,722	24,159	17,786
Repairs and maintenance	24,125	4,111	-	28,236	24,600
Occupancy	21,712	4,581	3,340	29,633	21,308
Telephone	11,640	2,456	1,790	15,886	14,353
Travel and conferences	21,563	-	-	21,563	13,054
Insurance	14,641	3,090	2,252	19,983	18,920
Professional development	1,377	-	-	1,377	2,663
Event expenses	-	-	49,122	49,122	49,803
Advertising and promotional expenses	-	4,948	10	4,958	2,312
Other expenses	2,449	24,146	-	26,595	17,060
Depreciation and amortization	36,237	7,648	5,573	49,458	49,727
Total expenses	797,787	214,960	152,339	1,165,086	1,097,473
Less: cost of direct benefit to donors netted with revenue	-	-	(38,148)	(38,148)	(26,894)
Total expenses	**$ 797,787**	**$ 214,960**	**$ 114,191**	**$ 1,126,938**	**$ 1,070,579**

The attached notes and auditor's report are an integral part of these financial statements.

Child Abuse Prevention Center, Inc. and Affiliate

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	December 31, 2023	December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (12,206)	$ (150,045)
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation and amortization	49,458	49,727
Loss on beneficial interest in assets	33,389	50,657
Changes in assets and liabilities:		
Government grants receivable	(58,118)	7,934
Pledges receivable	(7,643)	5,340
Prepaid expenses and other assets	4,974	(4,974)
Accounts payable and accrued expenses	33,246	(9,413)
Total adjustments	55,306	99,271
Net cash provided by/(used for) operating activities	**43,100**	**(50,774)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on line of credit	(24,317)	(5,683)
Repayments on finance lease obligation	-	(2,795)
Net cash used for financing activities	**(24,317)**	**(8,478)**
Net increase/(decrease) in cash and cash equivalents	**18,783**	**(59,252)**
CASH AND CASH EQUIVALENTS, *beginning of year*	21,949	81,201
CASH AND CASH EQUIVALENTS, *end of year*	**$ 40,732**	**$ 21,949**
SUPPLEMENTAL CASH FLOW INFORMATION		
Taxes paid	**$ -**	**$ -**
Interest paid	**$ 5,664**	**$ 3,862**

The attached notes and auditor's report are an integral part of these financial statements.

Note 1 - Nature of the Organization

Child Abuse Prevention Center, Inc. is a not-for-profit organization organized under the laws of the State of New York. They have been notified by the Internal Revenue Service that they are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It has not been designated as a private foundation under Section 509(a)(1). The Child Abuse Prevention Center, Inc. provides a variety of services to the community, ranging from aid to individuals who have encountered child abuse and neglect, to services that provide prevention of such abuse and neglect. The main programs include personal safety program, parent empowerment program, special needs parenting program, community education, teen parenting program, and child advocacy center.

The consolidated financial statements include the accounts of the Child Abuse Prevention Center, Inc.'s wholly owned subsidiary CPCA, Inc. (the "Affiliate") which was formed in August 2013 to purchase and hold real estate. The Affiliate has been notified that it is exempt from federal income tax under Section 501(c)(2) of the Internal Revenue Code and has not been designated as a private foundation under Section 509 (a)(1).

Collectively, both entities are referred to as the "Center." All significant intercompany transactions have been eliminated.

The Center's primary sources of revenue are government grants, contributions, and special events revenue.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting and Presentation

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

The consolidated financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958 - *Presentation of Financial Statements of Not-For-Profit Entities*. FASB ASC 958 requires the Center to report information regarding its financial position and activities according to the following specific classes of net assets:

- *Net Assets without Donor Restrictions* - represents those resources for which there are no restrictions by donors as to their use.

- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

Note 2 - Summary of Significant Accounting Policies - Continued

b. Revenue Recognition

The Center follows the requirements of FASB ASC 958-605 for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Unconditional promises to give that are expected to be received in less than one year are recorded at net realizable value. Those that are due in greater than one year are recorded at fair value, which is calculated using risk adjusted present value techniques. Long-term promises to give are treated as time restricted until the period they are due, at which time they will be released from restriction and counted towards operations. Pledges are reviewed for collectability. Based on this review, management has determined that all receivables are expected to be collected within one year. As such, no allowance for uncollectable amounts is necessary. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollectable.

The Center's government grants are primarily conditional, non-exchange transactions and fall under FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as deferred revenue.

Special event revenue is comprised of payments received from third parties to support and/or attend fundraising events. Special event revenue includes an exchange transaction component for the value of the goods or services rendered, which follows revenue recognition guidance under FASB ASC 606. The amount paid by third parties that is above the value of goods or services is considered to be a contribution. Revenue is recognized at the time the fundraising event occurs.

c. Cash and Cash Equivalents

All highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash and cash equivalents for purposes of the accompanying consolidated statements of financial position and cash flows.

d. Concentration of Credit Risk

Financial instruments that potentially subject the Center to a concentration of credit risk consist of cash accounts with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits; however, they have not suffered any losses due to the failure of any of these institutions.

Note 2 - Summary of Significant Accounting Policies - Continued

d. Concentration of Credit Risk - Continued

In addition, the beneficial interest in assets held by the Community Foundation of the Hudson Valley (the “Foundation”) is exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the balances reported in the consolidated statement of financial position.

e. Property and Equipment

Property and equipment that exceed $5,000 and have a useful life greater than one year are capitalized at cost or at fair value, if donated. Furniture and equipment are depreciated using the straight-line method over the estimated useful lives of five to seven years. Building and building improvements are depreciated using the straight- line method over the estimated useful life of forty years.

f. In-kind Services

Donated services that either create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind, are recognized at fair value. The Center received in-kind donated goods of $9,018 and $14,760 during the years ended December 31, 2023 and 2022, respectively, which have been reflected on the consolidated statements of activities and functional expenses. The value of the in-kind donated goods has been included in fundraising on the consolidated statement of functional expenses. The goods are valued at the estimated fair value based on current rates for similar products.

Organizational governance and some fundraising duties are performed voluntarily by the board of directors. Those services have not been recorded because they do not meet the criteria for recognition as outlined above.

g. Advertising

All advertising costs are expensed in the year they are incurred.

h. Management Estimates

The presentation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

i. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Note 2 - Summary of Significant Accounting Policies - Continued

i. Functional Allocation of Expenses - Continued

Salaries were allocated using time and effort as the basis. The following expenses were allocated using the salary allocation as the basis:

- Payroll taxes and benefits
- Office expenses
- Occupancy
- Telephone
- Insurance
- Depreciation and amortization

All other expenses have been charged directly to the applicable program or supporting services.

j. Summarized Comparative Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's consolidated financial statements for the year ended December 31, 2022, from which the summarized information was derived.

k. Accounting for Uncertainty of Income Taxes

The Center does not believe its consolidated financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2020 and later are subject to examination by applicable taxing authorities.

Note 3 - Beneficial Interest in Assets /Board Designated Endowment

In 2005, the Center deposited funds at the Foundation to establish an endowment fund, the Child Abuse Prevention Fund, (the "Fund") to provide support to the Center to carry out its overall role and mission. Over the years other entities made additional contributions to the Fund. Since the amounts are not restricted beyond the Center's overall mission, it is classified as net assets without donor restrictions.

The Fund is administered by the Foundation and follows the Foundation's investment policy. The Center however retains variance power to these funds and has the right to invade the principal of their investment based on procedures adopted by the Center's Board of Directors. The Center has indicated that it does not wish to receive an annual or other regularly scheduled payout from the Fund and will notify the Foundation of any decisions to modify the arrangement.

The asset is reported at fair value and considered a level 2 security that is valued using observable market inputs for securities that are similar to those owned. This method produces a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

Note 4 - Property and Equipment

Property and equipment consist of the following:

	December 31, 2023	December 31, 2022
Building and building improvements	$ 1,706,559	$ 1,706,559
Furniture and equipment	142,793	142,793
	1,849,352	1,849,352
Less: accumulated depreciation and amortization	(564,202)	(514,744)
Total property and equipment, net	$ 1,285,150	$ 1,334,608

Note 5 - Notes Payable

The Center maintains a revolving line of credit agreement with a financial institution; whereby, it is permitted to borrow a maximum of $65,000 with an interest rate of prime plus 0.5%. At December 31, 2023, the interest rate was 6%. The line of credit expires January 30, 2026 and is collateralized against all of the Center's assets. This line of credit was renewed on January 1, 2023. There was $35,000 and $59,317 outstanding at December 31, 2023 and 2022, respectively. The Center maintains a second revolving line of credit agreement with a financial institution, whereby, it is permitted to borrow a maximum of $85,000, with an interest rate of prime plus 0.5%, for a total interest rate of 6% at December 31, 2023. The line of credit commenced on February 27, 2023 and expired August 27, 2023. It is collateralized against all of the Center's assets. The line of credit was paid off prior to expiration.

Additionally, the Center entered into a promissory note with a financial institution for $30,000, commencing April 1, 2023 with the balance of the principal and accrued interest due and payable in full on September 1, 2023. There was $0 outstanding at December 31, 2023.

Note 6 - Special Events

A summary of the special events are as follows:

	December 31, 2023	December 31, 2022
Event income	$ 263,075	$ 275,262
Less: expenses with a direct benefit to donors	(38,148)	(26,894)
	224,927	248,368
Less: other event expenses	(10,974)	(22,909)
Total	$ 213,953	$ 225,459

Note 7 - Significant Concentrations

The Center received 49% and 70% of its total support and revenue from three government sources during the years ended December 31, 2023 and 2022, respectively. A significant reduction in the level of support from these funders may have an effect on the programs and activities provided by the Center.

Note 8 - Commitments and Contingencies

Government grants are subject to audit by the grantor and other oversight agencies. Management is of the opinion that any potential disallowances that may result from an audit will not be material and has not set aside a reserve for this. Any future disallowances will be recorded when they become known, and the amount is probable that it will be paid.

Note 9 - Retirement Plan

The Center offers employees the option of participating in a 403(b) retirement savings plan; whereby, the employees can contribute pre-tax dollars up to statutory limits. The employer does not provide a match and therefore has not incurred any expense.

Note 10 - Liquidity and Availability of Financial Resources

Financial assets are available within one year of the date of the consolidated statement of financial position for general expenditure as follows:

Financial assets at year-end:		
Cash and cash equivalents	$	40,732
Government grants receivable		258,327
Pledges receivable		13,693
Financial assets available within one year to meet cash needs for general expenditures	$	312,752

As part of its liquidity management, the Center operates its programs within a balanced budget and maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for ongoing operations. Additionally, the Center maintains 2 lines of credit totaling $150,000.

Note 11 - Affiliated Entity

The below summarized financial information of the Affiliate has been included in the consolidated financial statements for the year ended:

	December 31,			
	2023		2022	
Assets:				
Cash	$	838	$	838
Building, net	$	419,955	$	433,915
Expense:				
Depreciation and amortization	$	13,960	$	13,960

Note 12 - Subsequent Events

Subsequent events have been evaluated through August 22, 2024, the date the consolidated financial statements were available to be issued. There were no material events that have occurred that required adjustment to or disclosure to the consolidated financial statements.