

Child Abuse Prevention Center, Inc. and Affiliate

Consolidated Financial Statements

December 31, 2025

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Independent Auditor's Report

To the Board of Directors of
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, 2025, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of December 31, 2025, 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 Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. 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 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 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 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Sax LLP

New York, NY
August 31, 2026

Child Abuse Prevention Center, Inc. and Affiliate

Consolidated Statement of Financial Position

As of December 31, 2025
(With comparative totals as of December 31, 2024)

	December 31,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 111,603	\$ 145,943
Government grants receivable	295,272	212,399
Pledges receivable	18,919	46,881
Prepaid expenses and other assets	7,111	-
Beneficial interest in assets	8,003	7,271
Property and equipment, net	1,274,634	1,283,310
TOTAL ASSETS	\$ 1,715,542	\$ 1,695,804
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 81,838	\$ 94,212
Total liabilities	81,838	94,212
NET ASSETS		
Without donor restrictions	1,623,704	1,571,592
With donor restrictions	10,000	30,000
Total net assets	1,633,704	1,601,592
TOTAL LIABILITIES AND NET ASSETS	\$ 1,715,542	\$ 1,695,804

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, 2025
(With comparative totals for the year ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 12/31/25	Total 12/31/24
PUBLIC SUPPORT AND REVENUE				
Government grants	\$ 778,753	\$ -	\$ 778,753	\$ 882,720
Contributions	174,027	10,000	184,027	187,708
Special events (net of expenses with a direct benefit to donors)	261,055	-	261,055	292,832
Other income	187,011	-	187,011	40,049
Net assets released from restrictions	30,000	(30,000)	-	-
Total public support and revenue	<u>1,430,846</u>	<u>(20,000)</u>	<u>1,410,846</u>	<u>1,403,309</u>
EXPENSES				
Program services	1,034,535	-	1,034,535	946,318
General and administrative	208,865	-	208,865	242,681
Fundraising	136,338	-	136,338	82,287
Total expenses	<u>1,379,738</u>	<u>-</u>	<u>1,379,738</u>	<u>1,271,286</u>
Change in net assets from operations	<u>51,108</u>	<u>(20,000)</u>	<u>31,108</u>	<u>132,023</u>
NON-OPERATING ACTIVITY				
Change in beneficial interest in assets	1,004	-	1,004	633
Total non-operating activity	<u>1,004</u>	<u>-</u>	<u>1,004</u>	<u>633</u>
Change in net assets	52,112	(20,000)	32,112	132,656
NET ASSETS, <i>beginning of year</i>	<u>1,571,592</u>	<u>30,000</u>	<u>1,601,592</u>	<u>1,468,936</u>
NET ASSETS, <i>end of year</i>	<u>\$ 1,623,704</u>	<u>\$ 10,000</u>	<u>\$ 1,633,704</u>	<u>\$ 1,601,592</u>

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, 2025
(With comparative totals for the year ended December 31, 2024)

	Program Services	General and Administrative	Fundraising	Total Expenses 12/31/25	Total Expenses 12/31/24
Salaries	\$ 559,764	\$ 114,827	\$ 70,029	\$ 744,620	\$ 758,846
Payroll taxes and benefits	89,513	18,359	11,200	119,072	128,813
Professional fees	69,291	11,018	299	80,608	72,917
Client assistance and supplies	15,279	33	2,514	17,826	21,366
Office expenses	32,324	6,632	4,043	42,999	41,732
Repairs and maintenance	106,696	21,888	13,347	141,931	37,901
Occupancy	29,842	6,121	3,734	39,697	39,385
Travel and conferences	31,941	2,095	122	34,158	36,416
Insurance	14,727	3,022	1,842	19,591	21,292
Professional development	16,394	1,478	-	17,872	19,312
Event expenses	85	-	67,950	68,035	76,452
Marketing and outreach	28,480	3,798	8,983	41,261	14,246
Other expenses	4,820	12,336	452	17,608	22,020
Depreciation and amortization	35,379	7,258	4,426	47,063	44,999
Total expenses	1,034,535	208,865	188,941	1,432,341	1,335,697
Less: cost of direct benefit to donor netted with revenue	-	-	(52,603)	(52,603)	(64,411)
Total expenses for statement of activities	\$ 1,034,535	\$ 208,865	\$ 136,338	\$ 1,379,738	\$ 1,271,286

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, 2025
(With comparative totals for the year ended December 31, 2024)

	December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 32,112	\$ 132,656
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	47,063	44,999
(Gain) on beneficial interest in assets	(732)	(364)
Changes in assets and liabilities:		
Government grants receivable	(82,873)	45,928
Pledges receivable	27,962	(33,188)
Prepaid expenses and other assets	(7,111)	-
Accounts payable and accrued expenses	(12,374)	(6,661)
Total adjustments	(28,065)	50,714
Net cash provided by operating activities	4,047	183,370
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(38,387)	(43,159)
Net cash used for investing activities	(38,387)	(43,159)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on line of credit	-	(114,000)
Line of credit drawdowns	-	79,000
Net cash used for financing activities	-	(35,000)
Net (decrease)/ increase in cash and cash equivalents	(34,340)	105,211
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	145,943	40,732
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 111,603	\$ 145,943
SUPPLEMENTAL INFORMATION		
Taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ 1,092

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

Child Abuse Prevention Center, Inc. and Affiliate

Notes to Consolidated Financial Statements

December 31, 2025

Note 1 - Nature of the Organization

Child Abuse Prevention Center, Inc. and Affiliate 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 CAPC, 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 Financial Accounting Standards Board ("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.

Child Abuse Prevention Center, Inc. and Affiliate

Notes to Consolidated Financial Statements

December 31, 2025

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 uncollectible amounts is necessary. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollectible.

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. Grants 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 uncollectible amounts is necessary. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollectible.

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 financial 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.

Child Abuse Prevention Center, Inc. and Affiliate

Notes to Consolidated Financial Statements

December 31, 2025

Note 2 - Summary of Significant Accounting Policies - Continued

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, the Center has not suffered any losses due to the failure of any of these institutions. 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 \$850 and \$478 during the years ended December 31, 2025 and 2024, 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 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. Insurance Recoveries

The Center recognizes insurance recoveries when realization of the claim is probable and the amount can be reasonably estimated, or upon receipt of proceeds, depending on the nature and status of the claim.

Child Abuse Prevention Center, Inc. and Affiliate

Notes to Consolidated Financial Statements

December 31, 2025

Note 2 - Summary of Significant Accounting Policies - Continued

i. 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.

j. Investments and Fair Value Measurements

Accounting standards have established a fair value hierarchy that gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Center has the ability to access.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

k. 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.

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
- Repairs and maintenance
- Occupancy
- Insurance
- Depreciation and amortization

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

Child Abuse Prevention Center, Inc. and Affiliate

Notes to Consolidated Financial Statements

December 31, 2025

Note 2 - Summary of Significant Accounting Policies - Continued

l. 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, 2024, from which the summarized information was derived.

m. 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, 2022 and later are subject to examination by applicable taxing authorities.

Note 3 - Beneficial Interest in Assets Board-Designated Fund

In 2005, the Center deposited funds at the Foundation to establish a board designated 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.

Child Abuse Prevention Center, Inc. and Affiliate

Notes to Consolidated Financial Statements

December 31, 2025

Note 4 - Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2025	2024
Building and building improvements	\$ 1,746,924	\$ 1,746,924
Furniture and equipment	183,974	145,588
	<u>1,930,898</u>	<u>1,892,512</u>
Less: accumulated depreciation and amortization	(656,264)	(609,202)
Total property and equipment, net	<u>\$ 1,274,634</u>	<u>\$ 1,283,310</u>

Note 5 - Special Events

A summary of the special events are as follows:

	December 31,	
	2025	2024
Event income	\$ 313,658	\$ 357,243
Less: expenses with a direct benefit to donors	(52,603)	(64,411)
	<u>261,055</u>	<u>292,832</u>
Less: other event expenses	(15,432)	(12,041)
Total	<u>\$ 245,623</u>	<u>\$ 280,791</u>

Note 6 - Net Assets With Donor Restrictions

The following summarizes the activity of net assets with donor restrictions:

	December 31, 2025			
	Beginning Balance	Contributions	Released from Restrictions	Ending Balance
Program restricted	\$ -	\$ 10,000	\$ -	\$ 10,000
Time restricted	30,000	-	(30,000)	-
Total	<u>\$ 30,000</u>	<u>\$ 10,000</u>	<u>\$ (30,000)</u>	<u>\$ 10,000</u>

	December 31, 2024			
	Beginning Balance	Contributions	Released from Restrictions	Ending Balance
Time restricted	\$ -	\$ 30,000	\$ -	\$ 30,000
Total	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 30,000</u>

Child Abuse Prevention Center, Inc. and Affiliate

Notes to Consolidated Financial Statements

December 31, 2025

Note 7 - Significant Concentrations

The Center received 52% and 53% of its total support and revenue from three government sources during the years ended December 31, 2025 and 2024, 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	\$ 111,603
Government grants receivable	295,272
Pledges receivable	18,919
Total financial assets	<u>425,794</u>
Less amounts not available for general expenditures:	
Donor contributions restricted to specific purposes	<u>(10,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 415,794</u>

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 activities.

Child Abuse Prevention Center, Inc. and Affiliate

Notes to Consolidated Financial Statements

December 31, 2025

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,	
	2025	2024
Assets:		
Cash	\$ 840	\$ 840
Building, net	\$ 412,339	\$ 415,297

Note 12 - Subsequent Events

Subsequent events have been evaluated through August 31, 2026, 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.