Child Protection Center, Inc.

Financial Statements and
Independent Auditor's Report
June 30, 2021 and 2020

KERKERING BARBERIO
ACCOUNTING • TAX • CONSULTING

Contents

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Kerkering, Barberio & Co.
Certified Public Accountants

Independent Auditor's Report

The Board of Directors
Child Protection Center, Inc.
Sarasota, Florida

Report on the Financial Statements
We have audited the accompanying financial statements of Child Protection Center, Inc. (the Center), which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Child Protection Center, Inc. as of June 30, 2021, and the changes in it net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of the Center, as of and for the year ended June 30, 2020, were audited by other auditors, whose report, dated October 29, 2020, expressed an unmodified opinion on those statements.

Kerkering Barberio & Co.

Sarasota, Florida
October 22, 2021

Child Protection Center, Inc.

Statements of Financial Position

June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	$ 3,000,302	$ 1,459,670
Certificate of deposit	-	800,000
Grant and contract receivables	239,667	164,736
Prepaid expenses and other current assets	6,041	12,072
Total current assets	3,246,010	2,436,478
Property and equipment, net	3,622,331	3,718,863
Investments	1,180,142	919,704
Deposits	4,932	5,694
Total Assets	$ 8,053,415	$ 7,080,739
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	$ 4,637	$ 7,932
Accrued expenses	74,088	-
Current portion of note payable	301,900	142,071
Total current liabilities	380,625	150,003
Note payable, net of current portion	-	159,829
Total Liabilities	380,625	309,832
Net Assets:		
Without donor restrictions	6,309,258	5,671,571
Without donor restrictions - board-designated endowment	1,191,111	920,713
Total net assets without donor restrictions	7,500,369	6,592,284
With donor restrictions	172,421	178,623
Total Net Assets	7,672,790	6,770,907
Total Liabilities and Net Assets	$ 8,053,415	$ 7,080,739

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statement of Activities
Year Ended June 30, 2021
(With Summarized Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021	2020
Revenues and support:				
Federal and state contracts	$ 1,089,209	$ -	$ 1,089,209	$ 1,122,854
County government grants	245,345	-	245,345	252,565
United Way	24,667	-	24,667	39,090
Foundations and private grants	154,948	168,825	323,773	600,406
Contributions	1,366,884	-	1,366,884	515,224
Contributions - in-kind	16,105	-	16,105	38,749
Investment return, net	275,560	-	275,560	(1,558)
Special events, net of special event expenses of $78,893	208,082	-	208,082	392,762
Other income	9,189	-	9,189	7,289
Client fees	9,679	-	9,679	21,260
Net assets released from restriction	175,027	(175,027)	-	-
Total revenues and support	3,574,695	(6,202)	3,568,493	2,988,641
Expenses:				
Program services:				
Intervention	1,090,050	-	1,090,050	1,050,405
Prevention and education	329,624	-	329,624	309,241
Treatment	806,339	-	806,339	708,741
Total program services	2,226,013	-	2,226,013	2,068,387
Supporting services:				
Management and general	157,078	-	157,078	139,577
Fundraising	277,914	-	277,914	303,099
Total supporting services	434,992	-	434,992	442,676
Total expenses	2,661,005	-	2,661,005	2,511,063
Gain (loss) on disposal of property	(5,605)	-	(5,605)	17,354
Change in net assets	908,085	(6,202)	901,883	494,932
Net assets, beginning of year	6,592,284	178,623	6,770,907	6,275,975
Net assets, end of year	$ 7,500,369	$ 172,421	$ 7,672,790	$ 6,770,907

See accompanying notes to financial statements.

Child Protection Center, Inc.
Statement of Activities
Year Ended June 30, 2020
(With Summarized Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2020	2021
Revenues and support:				
Federal and state contracts	$ 1,122,854	$ -	$ 1,122,854	$ 1,089,209
County government grants	252,565	-	252,565	245,345
United Way	39,090	-	39,090	24,667
Foundations and private grants	421,783	178,623	600,406	323,773
Contributions	515,224	-	515,224	1,366,884
Contributions - in-kind	38,749	-	38,749	16,105
Investment return, net	(1,558)	-	(1,558)	275,560
Special events, net of special event expenses of $108,692	392,762	-	392,762	208,082
Other income	7,289	-	7,289	9,189
Client fees	21,260	-	21,260	9,679
Net assets released from restriction	-	-	-	-
Total revenues and support	2,810,018	178,623	2,988,641	3,568,493
Expenses:				
Program services:				
Intervention	1,050,405	-	1,050,405	1,090,050
Prevention and education	309,241	-	309,241	329,624
Treatment	708,741	-	708,741	806,339
Total program services	2,068,387	-	2,068,387	2,226,013
Supporting services:				
Management and general	139,577	-	139,577	157,078
Fundraising	303,099	-	303,099	277,914
Total supporting services	442,676	-	442,676	434,992
Total expenses	2,511,063	-	2,511,063	2,661,005
Gain (loss) on disposal of property	17,354	-	17,354	(5,605)
Change in net assets	316,309	178,623	494,932	901,883
Net assets, beginning of year	6,275,975	-	6,275,975	6,770,907
Net assets, end of year	$ 6,592,284	$ 178,623	$ 6,770,907	$ 7,672,790

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statement of Functional Expenses
Year Ended June 30, 2021
(With Summarized Totals for 2020)

	Program Services			Total Program Services	Management and General	Fundraising	2021 Total	2020 Total
	Intervention	Prevention and Education	Treatment					
Personnel and contractual:								
Program directors/coordinator	$ 396,227	$ 167,129	$ 61,628	$ 624,984	$ -	$ -	$ 624,984	$ 615,210
Administrative/clerical	129,199	28,131	130,564	287,894	55,964	199,900	543,758	519,375
Medical/psychological/therapist	114,071	-	268,917	382,988	-	-	382,988	345,226
Accountant	58,626	18,376	52,722	129,724	19,498	-	149,222	131,796
Fringe benefits and payroll taxes	150,474	56,970	108,305	315,749	11,849	43,252	370,850	335,153
Total personnel and contractual	848,597	270,606	622,136	1,741,339	87,311	243,152	2,071,802	1,946,760
Other expenses:								
Audit	10,265	2,891	8,982	22,138	3,779	-	25,917	24,125
Bank and credit card fees	118	-	-	118	3,704	-	3,822	1,020
Payroll related expenses	12,118	4,544	10,603	27,265	3,029	-	30,294	27,808
Equipment rental and maintenance	22,313	7,325	18,688	48,326	5,322	147	53,795	41,074
Advertising and promotion	2,720	3,015	2,380	8,115	680	8,654	17,449	8,198
Travel and conferences	5,733	173	5,162	11,068	129	(251)	10,946	27,465
Occupancy	52,848	-	25,230	78,078	-	-	78,078	70,089
Telephone	10,353	2,141	6,413	18,907	1,164	450	20,521	19,144
Supplies, office and postage	13,734	4,505	14,044	32,283	2,500	5,410	40,193	35,726
Printing and materials	7,680	12,745	10,974	31,399	1,665	2,248	35,312	49,814
Insurance	14,022	4,447	12,017	30,486	4,137	72	34,695	36,045
Meals and entertainment	558	103	219	880	175	424	1,479	3,938
Dues and subscriptions	1,412	297	4,630	6,339	2,434	10,262	19,035	10,201
Miscellaneous	3,428	437	3,155	7,020	17,027	2,198	26,245	16,301
Depreciation	36,371	9,093	31,824	77,288	13,639	-	90,927	89,778
Building expense	45,169	6,813	24,241	76,223	8,736	147	85,106	86,541
Professional fees	2,611	489	5,641	8,741	1,647	5,001	15,389	16,281
Interest expense	-	-	-	-	-	-	-	755
Total other expenses	241,453	59,018	184,203	484,674	69,767	34,762	589,203	564,303
Total functional expenses	$ 1,090,050	$ 329,624	$ 806,339	$ 2,226,013	$ 157,078	$ 277,914	$ 2,661,005	$ 2,511,063

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statement of Functional Expenses
Year Ended June 30, 2020
(With Summarized Totals For 2021)

	Program Services			Total	Management			
	Intervention	Prevention and Education	Treatment	Program Services	and General	Fundraising	2020 Total	2021 Total
Personnel and contractual:								
Program directors/coordinator	$ 405,315	$ 163,575	$ 46,320	615,210	$ -	$ -	$ 615,210	$ 624,984
Administrative/clerical	109,225	26,034	129,137	264,396	33,397	221,582	519,375	543,758
Medical/psychological/therapist	113,194	-	232,032	345,226	-	-	345,226	382,988
Accountant	57,678	17,175	43,765	118,618	13,178	-	131,796	149,222
Fringe benefits and payroll taxes	146,759	55,124	87,056	288,939	8,909	37,305	335,153	370,850
Total personnel and contractual	832,171	261,908	538,310	1,632,389	55,484	258,887	1,946,760	2,071,802
Other expenses:								
Audit	9,080	2,270	7,945	19,295	3,855	975	24,125	25,917
Bank and credit card fees	-	-	-	-	1,020	-	1,020	3,822
Payroll related expenses	11,123	4,171	9,733	25,027	2,781	-	27,808	30,294
Equipment rental and maintenance	16,329	4,903	13,874	35,106	4,612	1,356	41,074	53,795
Advertising and promotion	460	242	471	1,173	-	7,025	8,198	17,449
Travel and conferences	12,512	4,298	9,576	26,386	203	876	27,465	10,946
Occupancy	46,674	-	23,415	70,089	-	-	70,089	78,078
Telephone	9,926	2,120	5,611	17,657	1,187	300	19,144	20,521
Supplies, office and postage	11,064	1,636	9,624	22,324	2,039	11,363	35,726	40,193
Printing and materials	10,708	11,846	19,845	42,399	1,431	5,984	49,814	35,312
Insurance	14,462	4,082	12,403	30,947	5,026	72	36,045	34,695
Meals and entertainment	1,082	162	247	1,491	1,008	1,439	3,938	1,479
Dues and subscriptions	1,222	240	2,905	4,367	545	5,289	10,201	19,035
Miscellaneous	531	15	1,328	1,874	8,240	6,187	16,301	26,245
Depreciation	20,290	5,072	27,960	53,322	36,456	-	89,778	90,927
Building expense	50,985	5,976	19,900	76,861	9,340	340	86,541	85,106
Professional fees	1,786	300	5,594	7,680	5,595	3,006	16,281	15,389
Interest expense	-	-	-	-	755	-	755	-
Total other expenses	218,234	47,333	170,431	435,998	84,093	44,212	564,303	589,203
Total functional expenses	$ 1,050,405	$ 309,241	$ 708,741	$ 2,068,387	$ 139,577	$ 303,099	$ 2,511,063	$ 2,661,005

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Change in net assets	$ 901,883	$ 494,932
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	90,927	89,778
Realized and unrealized (gain) loss on investments, net	(245,397)	20,752
(Gain) loss on disposal of property	5,605	(17,354)
Change in operating assets:		
Grant and contract receivables	(74,931)	(34,422)
Prepaid expenses and other current assets	6,031	4,389
Deposits	762	(545)
Change in operating liabilities:		
Accounts payable	(3,295)	5,763
Accrued expenses	74,088	-
Deferred revenue	-	(40,439)
Net cash provided by operating activities	755,673	522,854
Cash Flows from Investing Activities:		
Purchases of property and equipment	-	(37,228)
Proceeds from sales of property and equipment	-	25,000
Purchases of investments	(432,561)	(27,076)
Purchase of certificate of deposit	-	(764,419)
Proceeds from sales of investments	417,520	7,644
Redemption of certificate of deposit	800,000	-
Net cash provided by (used in) investing activities	784,959	(796,079)
Cash Flows from Financing Activities:		
Proceeds from note payable	-	301,900
Net cash provided by financing activities	-	301,900
Net change in cash and cash equivalents	1,540,632	28,675
Cash and cash equivalents, beginning of year	1,459,670	1,430,995
Cash and cash equivalents, end of year	$ 3,000,302	$ 1,459,670

See accompanying notes to financial statements.

1. Organization

Child Protection Center, Inc. (the Center) is a not-for-profit corporation incorporated on July 15, 1981, and located in Sarasota, Florida. The Center administers a variety of programs with the goal of preventing, intervening in and treating child abuse consistent with their stated vision: "We envision a community where children are safe from abuse and free to thrive." Services are provided primarily to individuals who reside in the greater Sarasota region of Florida.

2. Summary of Significant Accounting Policies

Financial Statements

The financial statements and notes are representations of the Center's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates and assumptions.

Basis of Presentation

A not-for-profit organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

> *Net assets without donor restrictions* - Contributions and other inflows of assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the Board of Directors (the Board). Net assets without donor restrictions include expendable funds available to support operations as well as net assets invested in property and equipment.
>
> *Net assets with donor restrictions* - Contributions and other inflows of assets subject to donor-imposed stipulations that may or will be met by actions of the Center or the passage of time or are permanently maintained by the Center. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions and reported in the accompanying statement of activities and changes in net assets as net assets released from restriction.

Cash and Cash Equivalents

The Center considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents held for the board-designated endowment are excluded from this definition.

2. Summary of Significant Accounting Policies (Continued)

Certificate of Deposit

The certificate of deposit (CD) is carried at cost plus accrued interest, which approximates fair value. The CD has a stated interest rate of 1.8% and matured in August 2020 at which time the funds were transferred to a cash account.

Grant and Contracts Receivable

Grant and contract receivables relate to amounts due to the Center from federal, state and local contracts relating to the Center's intervention, prevention, education and treatment programs. Management determines the appropriateness of an allowance for bad debts based upon its review of existing receivables and historical collections by individual agencies. Management considers all grants and contracts due to be fully collectible. Therefore, no allowance for uncollectible grant and contracts has been recorded in the accompanying financial statements.

Property and Equipment

Property and equipment is carried at cost if purchased or at estimated fair market value at date of receipt if acquired by gift, less accumulated depreciation. Expenditures in excess of $1,500 with estimated useful lives greater than one year are capitalized.

Depreciation on all property and equipment is calculated by the straight-line method over the estimated useful lives of the assets as follows:

	Years
Buildings and improvements	12-39
Equipment	5-7
Furniture	7
Playground equipment	15

Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of the asset are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred. Upon retirement, sale or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included within the statement of activities.

Property acquired with government funds is considered to be owned by the Center while used in the program for which it was purchased or in future authorized programs; however, its disposition and the ownership of any proceeds are subject to applicable regulations.

The Center evaluates the recoverability of its buildings and improvements and equipment whenever adverse events or changes in the business climate indicate that the expected undiscounted future cash flows from the related asset may be less than previously anticipated. If the net book value of the related asset exceeds the undiscounted future cash flows of the asset, the carrying amount would be reduced to the present value of its expected future cash flows and an impairment loss would be recognized. Management believes no indication of impairment existed at June 30, 2021 and 2020.

2. Summary of Significant Accounting Policies (Continued)

Investments

Investments are valued at their estimated fair values in the accompanying statement of financial position. 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 expenses. All investments are classified as long-term, as the Center does not intend to use the investments for current operations.

Revenue Recognition

A significant portion of the Center's revenue is derived from agreed upon rates for service or cost-reimbursement federal and state contracts and grants. Cost reimbursement contracts and grants are conditional upon certain performance requirements or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions.

Contributions and Recognition of Donor Restrictions

The Center recognizes contributions received, including unconditional promises to give, as assets and revenue in the period received at their fair values. All contributions are considered to be increases in net assets without donor restrictions and available for use unless specifically restricted by the donor. Gifts of cash and other assets are reported as net assets with donor restrictions support if they are received with donor stipulations that limit the use of such assets.

When donor restrictions expire, 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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the contributions are received.

Donated Material and Services

Donations of materials are recorded as support at the estimated fair market value at the date of donation. Donations of services are recorded as support at their estimated fair value if the services received create or enhance nonfinancial assets or the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A number of full and part-time volunteers have made contributions of their time to maintain the Center's programs. The estimated value of this contributed time is not reflected in these financial statements, since these services do not meet recognition requirements under U.S. GAAP.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Expenses that can be identified with a specific program or supporting service are charged directly to that program or service according to their natural classification. Certain other costs have been allocated among the programs and supporting services benefited. Personnel and contractual expenses, audit, payroll related expenses, equipment rental and maintenance, advertising and promotion, travel and conferences, occupancy, telephone, supplies, office and postage, printing and materials, insurance, meals and entertainment, dues and subscriptions, miscellaneous, depreciation, building expense and professional fees may contain allocations based on time and effort, square footage and direct charges. Management and general expenses that are not directly allocable are allocated based on their estimated time and effort in each program or supporting service.

2. Summary of Significant Accounting Policies (Continued)

Income Tax

The Center is qualified under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes except for net revenue from unrelated business activities. As such, no provision for income tax expense has been made in the accompanying financial statements.

The Center recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination of the taxing authorities. Management evaluated the Center's tax positions and concluded that the Center had no material uncertainties in income taxes as of June 30, 2021 and 2020.

The Center files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which the Center is subject to include fiscal years ended June 30, 2018 through June 30, 2021.

Financial Instruments Not Measured at Fair Value

Certain of the Center's financial instruments are not measured at fair value on a recurring basis but nevertheless certain financial instruments are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, grant and contract receivables, prepaid expenses and other current assets, accounts payable and accrued expenses.

Accounting Pronouncements Adopted

In May 2014, FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The update replaced most existing revenue recognition guidance in U.S. GAAP when it became effective and permits the use of either a full retrospective or retrospective with cumulate effect transition method. The Center adopted Topic 606 during the year ended June 30, 2021. The adoption of Topic 606 did not materially impact the financial statements.

3. Liquidity and Availability

The following represents the Center's financial assets as of June 30:

	2021	2020
Cash and cash equivalents	$ 3,000,302	$ 1,459,670
Certificate of deposit	-	800,000
Grant and contract receivables	239,667	164,736
Investments	1,180,142	919,704
Total financial assets	4,420,111	3,344,110
Less: Amounts unavailable to be used within one year:		
Net assets with donor restrictions to be met in less than a year	(172,421)	(178,623)
Board-designated endowment	(1,191,111)	(920,713)
	(1,363,532)	(1,099,336)
Financial assets available to meet general expenditures within one year	$ 3,056,579	$ 2,244,774

3. Liquidity and Availability (Continued)

The Center maintains a policy of structuring its financial assets to be available as its general expenditures and other obligations come due. As part of its liquidity plan, excess cash is invested in short-term investments, including CD's, money market funds, fixed income mutual funds and equity mutual funds.

The board-designated endowment fund was established by the Board to provide future support to the Center by providing regular, predictable operating income that will help fill gaps caused by increasing costs, demands and the possibility of diminishing government support and fluctuating donation and grant revenue. Management expects the principal to be preserved; however, as of June 30, 2021 and 2020, the Center has approximately $1,191,000 and $921,000, respectively, in resources that could be available upon approval of the Board to provide support for the Center's programs and facilities. See Note 10.

4. Investments

Investments consisted of the following as of June 30:

	Market Value	
	2021	**2020**
Money market fund	$ 17,950	$ 8,843
Fixed income funds	315,074	255,179
Equities	847,118	655,682
	$ 1,180,142	$ 919,704

Return from investments is summarized as follows for the years ended June 30:

	2021	**2020**
Interest and dividends	$ 35,957	$ 26,838
Realized and unrealized gain (loss)	245,397	(20,752)
Investment fees	(5,794)	(7,644)
Investment return, net	$ 275,560	$ (1,558)

5. Property and Equipment

Costs and accumulated depreciation of property and equipment are summarized as of June 30:

	2021	**2020**
Land	$ 2,223,000	$ 2,223,000
Building and improvements	1,885,314	1,903,606
Equipment	432,785	434,489
Furniture	179,395	179,395
Playground equipment	178,909	178,909
	4,899,403	4,919,399
Less accumulated depreciation	(1,277,072)	(1,200,536)
	$ 3,622,331	$ 3,718,863

Depreciation expense for the years ended June 30, 2021 and 2020 totaled $90,927 and $89,778, respectively.

6. Fair Value Measurements

The Center defines fair value in accordance with U.S. GAAP, which specifies a hierarchy of valuation techniques. The hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs. The Center measures investments at fair value on a recurring basis.

The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 – unadjusted quoted market prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 - inputs, other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability (for example, certain hedge funds, private equity and other). The inputs reflect the Center's assumptions based on the best information available in the circumstance.

The Center evaluates the various types of financial assets and liabilities to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs. The Center employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third-party sources.

While the Center believes its valuation, methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the report date.

During the years ended June 30, 2021 and 2020, there were no changes to the Center's valuation techniques that had, or are expected to have, a material impact on its statements of financial position or activities.

A review of fair value hierarchy classifications is conducted on an annual basis. The following table provides information about the Center's investments measured at estimated fair value on a recurring basis as of June 30, 2021 and 2020:

Description	June 30, 2021	Level 1	Level 2	Level 3
Assets at Fair Value:				
Investments:				
Money market fund	$ 17,950	$ 17,950	$ -	$ -
Fixed income - mutual funds	250,656	250,656	-	-
Fixed income - exchange-traded funds	64,418	64,418		
Equities - stocks	209,227	209,227	-	-
Equities - exchange-traded funds	257,241	257,241	-	-
Equities - mutual funds	380,650	380,650	-	-
Total investments at fair value	$ 1,180,142	$ 1,180,142	$ -	$ -

6. Fair Value Measurements (Continued)

Description		June 30, 2020		Level 1		Level 2		Level 3
Assets at Fair Value:								
Investments:								
Money market fund	$	8,843	$	8,843	$	-	$	-
Fixed income - mutual funds		255,179		255,179		-		-
Equities - stocks		175,509		175,509		-		-
Equities - exchange-traded funds		177,050		177,050		-		-
Equities - mutual funds		303,123		303,123		-		-
Total investments at fair value	$	919,704	$	919,704	$	-	$	-

7. Note Payable

On April 20, 2020, the Center was granted a loan pursuant to the Paycheck Protection Program (PPP Loan) established as part of the Coronavirus Aid, Relief and Economics Security Act (CARES Act) in the aggregate amount of $301,900. The loan bears interest at 1% per annum and is payable monthly commencing November 17, 2020. Principal payments for the full amount of the loan are due in the year ending June 30, 2022. The loan may be prepaid by the Center at any time prior to maturity with no prepayment penalties. Under the terms of the loan, certain amounts may be forgiven if they are used for qualifying expenses, as described in the CARES Act. Qualifying expenses including payroll costs, continuation of health care benefits, mortgage payments, rent, utilities and interest on other debt obligation. The Center intends to use the entire loan amount for qualifying expense; however, no assurance can be given that expenditures will qualify or be forgiven.

The Center has recorded the PPP Loan in accordance with ASC 470, Debt. The PPP Loan is included in notes payable on the statement of financial position. Interest is accrued at the stated rate. The proceeds will remain as debt until either: 1) the loan has been forgiven and the Center has been legally released of the obligation, in whole or part; or 2) the Center pays off the loan. The Center applied for and received forgiveness of the PPP Loan subsequent to year-end as discussed in Note 17. The balance of the PPP Loan at June 30, 2021 and 2020 was $301,900.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions as shown on the statements of financial position consisted of the following at June 30:

Subject to expenditure for specified purpose:		2021		2020
Supervised Visitation Program	$	13,596	$	9,025
Personal Safety and Community Awareness		99,037		79,598
Sexual Abuse Treatment Program		50,000		-
Child Protection Center programs		9,788		90,000
Total purpose restrictions	$	172,421	$	178,623

9. Net Assets Released from Restriction

Net assets released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donor for the years ended June 30 are for the following:

Satisfaction of purpose restrictions:		2021		2020
Supervised Visitation Program	$	5,429	$	-
Personal Safety and Community Awareness		79,598		-
Child Protection Center programs		90,000		-
Total net assets released from restrictions	$	175,027	$	-

10. Endowment Funds

The Center's endowment fund (endowment) includes net assets without donor restriction designated for endowment by the Board to provide future support to the Center. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. There are no donor-imposed restrictions on the endowment as of June 30, 2021 and 2020.

The Center considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the endowment fund
- The purposes of the Center and the endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Center
- The investment policy of the Center

Return Objectives and Risk Parameters

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments, while seeking to maintain the purchasing power of endowment assets.

Under these policies, as approved by the Board, endowment assets will be invested in a manner that is intended to protect against loss associated with a single security, industry, issuer or event which focuses on a strategic allocation of portfolio assets across broadly defined financial asset and sub asset categories with varying degrees of risk, return and return correlation.

Strategies Employed for Achieving Objectives

To satisfy its long-term, rate-of-return objectives, the Center will rely on a total return strategy whereby investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center will target a diversified asset allocation.

10. Endowment Funds (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Center has an overall goal to increase the endowment to approximately $3 million. Endowment funds shall be used to provide perpetual financial support to the Center. The Center's policy does not prohibit spending from underwater endowment funds if it is necessary, although it has been management's practice not to do so.

At the direction of the Board, an annual payout of 4% applied to the smoothed, average market value of the endowed assets, to support approved strategic initiatives of the Center will be determined each fiscal year. In addition, a reasonable allocation of general overhead expenses may be charged to the endowment fund as a cost of administration in accordance with the U.S. GAAP. The allocation must be approved by the Board when it makes its annual affirmation of the 4% payout. During the years ended June 30, 2021 and 2020, the Center did not appropriate any earnings from endowment funds to current year operations.

The Board reserves the right at its discretion to adjust the annual payout amount, but the adjusted payout may not exceed 6% in a given year. The Board may approve the adjusted annual payout with a super majority vote. For purposes of this resolution, a super majority shall mean more than 3/4 of the members of the Board of the Center present at the meeting considering such change. In no event, however, may the board approve an annual payout greater than 6% unless the entire board unanimously approves the resolution to do so, and the resolution is unanimously passed in two Board meetings at least 60 days apart.

The Board should, in general, and on a long-term basis, only approve a calculated payout ratio percentage, which when adjusted for anticipated expenses and inflation does not exceed the long- term expected return of the endowment's assets. The Board believes that this rate will provide sufficient income while preserving principal. In the event the Board does not set a payout ratio, no funds from the endowment may be spent until such time as the Board affirms a payout ratio.

Endowment Net Asset Composition

Endowment net asset composition by type of fund is as follows as of June 30, 2021:

	Without Donor Restrictions
Donor restricted endowment funds	$ -
Board-designated endowment funds	1,191,111
	$ 1,191,111

Endowment net asset composition by type of fund is as follows as of June 30, 2020:

	Without Donor Restrictions
Donor restricted endowment funds	$ -
Board-designated endowment funds	920,713
	$ 920,713

10. Endowment Funds (Continued)

Changes in Endowment Net Assets

Changes in endowment funds net assets for the year ended June 30, 2021, are as follows:

		Net Assets Without Donor Restrictions
Endowment net assets, beginning of year	$	920,713
Contributions		9,960
Investment return, net		260,438
Endowment net assets, end of year	$	1,191,111

Changes in endowment funds net assets for the year ended June 30, 2020, are as follows:

		Net Assets Without Donor Restrictions
Endowment net assets, beginning of year	$	923,533
Investment return, net		(2,820)
Endowment net assets, end of year	$	920,713

11. Employee Benefit Plan

The Center has a 401(k) salary deferral plan covering substantially all of its employees. The Center makes a discretionary contribution to the plan, presently 7% of an employee's annual salary. For the years ended June 30, 2021 and 2020, the Center made contributions to the plan totaling $96,034 and $82,016, respectively.

12. Lease Commitments

The Center leases certain facilities and office equipment under operating lease agreements varying in length from one to three years and expiring in 2024.

Future minimum lease commitments for noncancelable operating leases are as follows for the year ending June 30:

2022	$	51,370
2023		51,066
2024		12,668
	$	115,104

Lease expense for the years ended June 30, 2021 and 2020 were approximately $78,200 and $70,000, respectively.

13. Commitments and Contingencies

The Center routinely enters into grant agreements and contracts with government agencies that provide for reimbursement of the eligible direct and indirect costs of providing certain of the Center's program services. The grants and contracts are subject to audit or review and retroactive adjustment based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Center's financial statements cannot be determined at this time and no provision has been made for any such adjustment in the accompanying financial statements.

14. Financial Instruments with Credit Risk and Economic Risk

Financial instruments, which potentially subject the Center to concentrations of credit risk, consist of cash, cash equivalents and investments. The Federal Deposit Insurance Corporation (FDIC) insures cash and other deposits up to $250,000 at each financial institution. At any given time, the Center may have cash balances exceeding the insured amount at any one financial institution. The Center has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Center's investments.

15. Funding and Credit Concentrations

Revenues: The Center receives a substantial portion of its support directly from federal, state and local government agencies or as pass-through government funding awards from other local agencies. Continuation of the Center's program services is greatly dependent upon the continued support of these agencies.

The Center received three grants from federal, state and county agencies that comprise approximately 36% and 40% of the total revenues for the years ended June 30, 2021 and 2020, respectively.

16. Conditional Promises to Give from Donors

The Center has conditional promises to give from grantors and donors of $0 and $150,000 as of June 30, 2021 and 2020, respectively. Future payments are contingent upon the Center carrying out certain activities stipulated by the grant or contract.

17. Subsequent Events

The Center has evaluated all events subsequent to the statement of financial position date of June 30, 2021, through the date these financial statements were available for issuance, October 22, 2021, and has determined that except as set forth below, there are no subsequent events that require disclosure under the FASB Accounting Standards Codification.

On July 21, 2021, the Center was notified that $288,296 of the PPP Loan described in Note 7 was forgiven. The Center paid the remaining principal of the loan in the amount of $13,604 on August 10, 2021.