

Child Protection Center, Inc.

Financial Statements,
Supplemental Information,
Contract Compliance and
Independent Auditor's Report
June 30, 2025 and 2024

Contents

	Page
Independent Auditor's Report	I
Financial Statements	
Statements of Financial Position	3
Statement of Activities - 2025.....	4
Statement of Activities - 2024.....	5
Statement of Functional Expenses - 2025	6
Statement of Functional Expenses - 2024	7
Statements of Cash Flows.....	8
Notes to Financial Statements	9
Supplemental Information	
Schedule of Expenditures of State Financial Assistance	21
Notes to Schedule of Expenditures of State Financial Assistance.....	22
Contract Compliance	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing</i> <i>Standards</i>	23-24
Report on Compliance for Each Major State Project and Report on Internal Control over Compliance Required by Chapter 10.650, <i>Rules of the Auditor General</i> of the State of Florida.....	25-27
Schedule of Findings and Questioned Costs	28

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Child Protection Center, Inc. (the Center), which comprise the statements of financial position as of June 30, 2025 and 2024, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 and *Government Auditing Standards*, 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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance as required by the State of Florida Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2025, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Kukuing Barbanio & Co.

Sarasota, Florida
October 22, 2025

Child Protection Center, Inc.

Statements of Financial Position

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 3,439,689	\$ 3,826,920
Grant and contract receivables	233,959	324,769
Prepaid expenses and other current assets	66,109	67,078
Total current assets	<u>3,739,757</u>	<u>4,218,767</u>
 Promises to give, net	56,924	55,847
Property and equipment, net	5,990,787	5,739,817
Investments	2,324,415	1,571,486
Deposits	<u>-</u>	<u>1,629</u>
 Total Assets	<u>\$ 12,111,883</u>	<u>\$ 11,587,546</u>
 Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 58,910	\$ 4,860
Accrued expenses	89,528	74,734
Deferred revenue	3,700	-
Note payable, current portion	61,970	59,799
Total current liabilities	<u>214,108</u>	<u>139,393</u>
 Note payable, net of current portion	<u>410,131</u>	<u>477,019</u>
 Total Liabilities	<u>624,239</u>	<u>616,412</u>
 Net Assets:		
Without donor restrictions	9,300,774	9,036,040
Without donor restrictions - board-designated	1,687,126	1,283,572
Total net assets without donor restrictions	<u>10,987,900</u>	<u>10,319,612</u>
 With donor restrictions	<u>499,744</u>	<u>651,522</u>
 Total Net Assets	<u>11,487,644</u>	<u>10,971,134</u>
 Total Liabilities and Net Assets	<u>\$ 12,111,883</u>	<u>\$ 11,587,546</u>

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statement of Activities
Year Ended June 30, 2025
(With Summarized Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Revenues and support:				
Federal and state contracts	\$ 1,259,183	\$ -	\$ 1,259,183	\$ 1,333,272
County government grants	622,706	-	622,706	453,891
United Way	2,779	-	2,779	8,901
Foundations and private grants	282,945	215,144	498,089	744,775
Contributions	1,227,925	52,500	1,280,425	1,372,288
Investment return, net	150,430	-	150,430	156,670
Special events, net of special event expenses of \$187,405	398,660	-	398,660	548,024
Other income	4,466	-	4,466	30,048
Interest income	90,772	-	90,772	81,897
Client fees	19,517	-	19,517	25,754
Net assets released from restriction	419,422	(419,422)	-	-
Total revenues and support	<u>4,478,805</u>	<u>(151,778)</u>	<u>4,327,027</u>	<u>4,755,520</u>
Expenses:				
Program services:				
Intervention	1,433,692	-	1,433,692	1,359,036
Prevention and education	476,948	-	476,948	447,468
Treatment	1,208,867	-	1,208,867	1,037,658
Total program services	<u>3,119,507</u>	<u>-</u>	<u>3,119,507</u>	<u>2,844,162</u>
Supporting services:				
Management and general	203,791	-	203,791	247,257
Fundraising	469,783	-	469,783	380,158
Total supporting services	<u>673,574</u>	<u>-</u>	<u>673,574</u>	<u>627,415</u>
Total expenses	<u>3,793,081</u>	<u>-</u>	<u>3,793,081</u>	<u>3,471,577</u>
Loss on disposal of property	<u>(17,436)</u>	<u>-</u>	<u>(17,436)</u>	<u>-</u>
Change in net assets	668,288	(151,778)	516,510	1,283,943
Net assets, beginning of year	10,319,612	651,522	10,971,134	9,687,191
Net assets, end of year	<u>\$ 10,987,900</u>	<u>\$ 499,744</u>	<u>\$ 11,487,644</u>	<u>\$ 10,971,134</u>

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statement of Activities
Year Ended June 30, 2024
(With Summarized Totals for 2025)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2025 Total
Revenues and support:				
Federal and state contracts	\$ 1,333,272	\$ -	\$ 1,333,272	\$ 1,259,183
County government grants	453,891	-	453,891	622,706
United Way	8,901	-	8,901	2,779
Foundations and private grants	246,948	497,827	744,775	498,089
Contributions	1,247,288	125,000	1,372,288	1,280,425
Investment return, net	156,670	-	156,670	150,430
Special events, net of special event expenses of \$133,826	548,024	-	548,024	398,660
Other income	30,048	-	30,048	4,466
Interest income	81,897	-	81,897	90,772
Client fees	25,754	-	25,754	19,517
Net assets released from restriction	351,857	(351,857)	-	-
Total revenues and support	<u>4,484,550</u>	<u>270,970</u>	<u>4,755,520</u>	<u>4,327,027</u>
Expenses:				
Program services:				
Intervention	1,359,036	-	1,359,036	1,433,692
Prevention and education	447,468	-	447,468	476,948
Treatment	1,037,658	-	1,037,658	1,208,867
Total program services	<u>2,844,162</u>	<u>-</u>	<u>2,844,162</u>	<u>3,119,507</u>
Supporting services:				
Management and general	247,257	-	247,257	203,791
Fundraising	380,158	-	380,158	469,783
Total supporting services	<u>627,415</u>	<u>-</u>	<u>627,415</u>	<u>673,574</u>
Total expenses	<u>3,471,577</u>	<u>-</u>	<u>3,471,577</u>	<u>3,793,081</u>
Loss on disposal of property	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,436)</u>
Change in net assets	1,012,973	270,970	1,283,943	516,510
Net assets, beginning of year	<u>9,306,639</u>	<u>380,552</u>	<u>9,687,191</u>	<u>10,971,134</u>
Net assets, end of year	<u>\$ 10,319,612</u>	<u>\$ 651,522</u>	<u>\$ 10,971,134</u>	<u>\$ 11,487,644</u>

See accompanying notes to financial statements.

Child Protection Center, Inc.
Statement of Functional Expenses
Year Ended June 30, 2025
(With Summarized Totals for 2024)

	Program Services			Total	Management		2025	2024
	Intervention	Prevention and Education	Treatment	Program Services	and General	Fundraising	Total	Total
Personnel and contractual:								
Program directors/coordinator	\$ 566,827	\$ 261,831	\$ 98,924	\$ 927,582	\$ 2,500	\$ 61,194	\$ 991,276	\$ 888,948
Administrative/clerical	136,099	32,309	175,485	343,893	63,500	239,424	646,817	571,825
Medical/psychological/therapist	152,388	-	468,906	621,294	-	-	621,294	478,421
Accountant	64,000	19,183	55,822	139,005	21,044	5,000	165,049	239,816
Fringe benefits and payroll taxes	184,027	77,070	172,856	433,953	18,199	70,203	522,355	465,726
Total personnel and contractual	<u>1,103,341</u>	<u>390,393</u>	<u>971,993</u>	<u>2,465,727</u>	<u>105,243</u>	<u>375,821</u>	<u>2,946,791</u>	<u>2,644,736</u>
Other expenses:								
Audit	14,752	5,532	12,908	33,192	3,763	-	36,955	26,256
Bank and credit card fees	448	-	129	577	2,938	13	3,528	1,511
Payroll related expenses	16,712	6,267	14,623	37,602	4,179	-	41,781	34,577
Equipment rental and maintenance	8,822	2,479	7,015	18,316	1,879	69	20,264	33,409
Advertising and promotion	987	680	-	1,667	2,097	38,755	42,519	41,647
Travel and conferences	23,303	5,792	5,740	34,835	3,858	925	39,618	49,877
Occupancy	8,752	551	4,379	13,682	5,499	-	19,181	17,974
Telephone	8,474	2,463	7,152	18,089	1,733	900	20,722	20,025
Supplies, office and postage	10,195	2,457	7,223	19,875	7,308	2,354	29,537	34,058
Printing and materials	9,002	12,414	7,301	28,717	1,212	16,884	46,813	45,424
Insurance	36,936	7,426	26,472	70,834	4,955	150	75,939	51,568
Meals and entertainment	1,713	156	288	2,157	1,012	516	3,685	5,924
Information technology	26,641	9,953	28,706	65,300	8,653	-	73,953	60,360
Dues and subscriptions	2,982	1,067	4,370	8,419	1,450	7,294	17,163	13,086
Miscellaneous	2,559	16	64	2,639	2,274	4,727	9,640	8,515
Depreciation	64,084	16,648	56,074	136,806	24,031	-	160,837	145,040
Building expense	76,735	10,543	41,612	128,890	15,505	-	144,395	106,228
Professional fees	5,377	2,111	6,422	13,910	5,364	21,375	40,649	107,795
Interest expense	11,877	-	6,396	18,273	838	-	19,111	23,567
Total other expenses	<u>330,351</u>	<u>86,555</u>	<u>236,874</u>	<u>653,780</u>	<u>98,548</u>	<u>93,962</u>	<u>846,290</u>	<u>826,841</u>
Total functional expenses	<u>\$ 1,433,692</u>	<u>\$ 476,948</u>	<u>\$ 1,208,867</u>	<u>\$ 3,119,507</u>	<u>\$ 203,791</u>	<u>\$ 469,783</u>	<u>\$ 3,793,081</u>	<u>\$ 3,471,577</u>

See accompanying notes to financial statements.

Child Protection Center, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024
(With Summarized Totals For 2025)

	Program Services			Total	Management		2024	2025
	Intervention	Prevention and Education	Treatment	Program Services	and General	Fundraising	Total	Total
Personnel and contractual:								
Program directors/coordinator	\$ 521,752	\$ 224,721	\$ 84,372	\$ 830,845	\$ -	\$ 58,103	\$ 888,948	\$ 991,276
Administrative/clerical	130,630	31,751	150,846	313,227	44,955	213,643	571,825	646,817
Medical/psychological/therapist	129,835	-	348,586	478,421	-	-	478,421	621,294
Accountant	91,991	31,780	84,131	207,902	28,037	3,877	239,816	165,049
Fringe benefits and payroll taxes	174,386	73,623	144,881	392,890	15,525	57,311	465,726	522,355
Total personnel and contractual	<u>1,048,594</u>	<u>361,875</u>	<u>812,816</u>	<u>2,223,285</u>	<u>88,517</u>	<u>332,934</u>	<u>2,644,736</u>	<u>2,946,791</u>
Other expenses:								
Audit	10,480	3,930	9,170	23,580	2,676	-	26,256	36,955
Bank and credit card fees	433	-	-	433	1,045	33	1,511	3,528
Payroll related expenses	13,831	5,186	12,102	31,119	3,458	-	34,577	41,781
Equipment rental and maintenance	14,889	4,090	11,501	30,480	2,860	69	33,409	20,264
Advertising and promotion	1,839	782	1,435	4,056	15,367	22,224	41,647	42,519
Travel and conferences	20,585	7,168	11,547	39,300	8,348	2,229	49,877	39,618
Occupancy	7,176	-	3,000	10,176	7,798	-	17,974	19,181
Telephone	7,741	2,537	6,712	16,990	1,985	1,050	20,025	20,722
Supplies, office and postage	11,018	4,650	8,872	24,540	8,042	1,476	34,058	29,537
Printing and materials	11,371	5,743	3,544	20,658	17,723	7,043	45,424	46,813
Insurance	22,626	5,717	17,856	46,199	5,144	225	51,568	75,939
Meals and entertainment	1,888	1,966	938	4,792	904	228	5,924	3,685
Information technology	22,747	8,477	23,260	54,484	5,651	225	60,360	73,953
Dues and subscriptions	1,324	629	1,466	3,419	9,227	440	13,086	17,163
Miscellaneous	2,539	120	560	3,219	2,375	2,921	8,515	9,640
Depreciation	58,016	14,504	50,764	123,284	21,756	-	145,040	160,837
Building expense	60,170	7,777	32,488	100,435	5,783	10	106,228	144,395
Professional fees	26,766	12,317	21,548	60,631	38,113	9,051	107,795	40,649
Interest expense	15,003	-	8,079	23,082	485	-	23,567	19,111
Total other expenses	<u>310,442</u>	<u>85,593</u>	<u>224,842</u>	<u>620,877</u>	<u>158,740</u>	<u>47,224</u>	<u>826,841</u>	<u>846,290</u>
							-	
Total functional expenses	<u>\$ 1,359,036</u>	<u>\$ 447,468</u>	<u>\$ 1,037,658</u>	<u>\$ 2,844,162</u>	<u>\$ 247,257</u>	<u>\$ 380,158</u>	<u>\$ 3,471,577</u>	<u>\$ 3,793,081</u>

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 516,510	\$ 1,283,943
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	160,837	145,040
Realized and unrealized gain on investments, net	(117,806)	(135,106)
Loss on disposal of property	17,436	-
Change in operating assets:		
Grant and contract receivables	90,810	(64,824)
Promises to give	(1,077)	(1,077)
Prepaid expenses and other current assets	969	(44,474)
Deposits	1,629	1,669
Change in operating liabilities:		
Accounts payable	54,050	(21,640)
Accrued expenses	14,794	16,758
Deferred revenue	3,700	-
Net cash provided by operating activities	<u>741,852</u>	<u>1,180,289</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(429,243)	(330,434)
Purchases of investments	(1,758,585)	(1,907,889)
Proceeds from sales of investments	1,123,462	2,172,735
Net cash used in investing activities	<u>(1,064,366)</u>	<u>(65,588)</u>
Cash Flows from Financing Activities:		
Payments on note payable	(64,717)	(201,200)
Net cash used in financing activities	<u>(64,717)</u>	<u>(201,200)</u>
Net change in cash and cash equivalents	(387,231)	913,501
Cash and cash equivalents, beginning of year	3,826,920	2,913,419
Cash and cash equivalents, end of year	\$ <u>3,439,689</u>	\$ <u>3,826,920</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ <u>19,209</u>	\$ <u>24,304</u>

See accompanying notes to financial statements.

Child Protection Center, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

I. 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: with donor restrictions and without 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.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2025 and 2024

2. Summary of Significant Accounting Policies (Continued)

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.

Promises to Give

The Center records unconditional promises when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. Management evaluates receivables regularly and establishes reserves for pledges receivable based on past history and estimated collectability. The allowance for doubtful accounts was \$2,000 as of June 30, 2025 and 2024.

Property and Equipment

Property and equipment are 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 \$2,000 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	7-39
Equipment	2-7
Furniture	7
Playground equipment	10-15

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, 2025 and 2024.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2025 and 2024

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.

Contributed Nonfinancial Assets

The Center receives nonfinancial assets in the form of services such as advertising and printing services provided at no cost for the benefit of the Center and its programs. 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. The fair value is estimated based on the cost of the services if they had been purchased. The Center did not receive any contributed non-financial services for the year ended June 30, 2025 and June 30, 2024, respectively.

Donations of materials are recorded as support at the estimated fair market value at the date of 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.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2025 and 2024

2. Summary of Significant Accounting Policies (Continued)

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.

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, 2025 and 2024.

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, 2022 through June 30, 2025.

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 accrued expenses, and deferred revenue.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2025 and 2024

3. Liquidity and Availability

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

	2025	2024
Cash and cash equivalents	\$ 3,439,689	\$ 3,826,920
Grant and contract receivables	233,959	324,769
Investments	2,324,415	1,571,486
Total financial assets	<u>5,998,063</u>	<u>5,723,175</u>
Less: Amounts unavailable to be used within one year:		
Net assets with donor restrictions to be met in less than a year	<u>(499,744)</u>	<u>(651,522)</u>
Less: Amounts unavailable to management without Board approval:		
Board-designated endowment	(1,437,126)	(1,283,572)
Board-designated for wind self-insurance	<u>(250,000)</u>	<u>-</u>
Total amounts unavailable to management without Board approval:	<u>(1,687,126)</u>	<u>(1,283,572)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,811,193</u>	<u>\$ 3,788,081</u>

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 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, 2025 and 2024, the Center has approximately \$1,437,126 and \$1,283,572, respectively. The Board also designated \$250,000 to reserve for insurable risks on wind damages for the Sarasota location during the year ended June 30, 2025. These board designated resources could be made available upon approval of the Board to provide support for the Center's programs and facilities.

4. Investments

Investments consisted of the following as of June 30:

	Market Value	
	2025	2024
Cash equivalents	\$ 30,836	\$ 20,977
Fixed income funds	361,490	364,437
Equities	1,022,089	876,072
Certificates of deposit	910,000	310,000
	<u>\$ 2,324,415</u>	<u>\$ 1,571,486</u>

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2025 and 2024

4. Investments (Continued)

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

	2025	2024
Interest and dividends	\$ 39,595	\$ 27,892
Realized and unrealized gain	117,806	135,106
Investment fees	(6,971)	(6,328)
Investment return, net	<u>\$ 150,430</u>	<u>\$ 156,670</u>

5. Promises to Give, Net

Promises to give as of June 30 are due as follows:

	2025	2024
Promises to give	\$ 60,000	\$ 60,000
Less: discount to net present value at a rate of 3.23%	(1,076)	(2,153)
Less: allowance	(2,000)	(2,000)
Promises to give, net	56,924	55,847
Less: current portion	-	-
Amount collectible in 1-5 years	<u>\$ 56,924</u>	<u>\$ 55,847</u>

6. Property and Equipment

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

	2025	2024
Land	\$ 2,921,197	\$ 2,921,197
Building and improvements	3,696,953	3,431,700
Equipment	124,110	128,676
Furniture	4,657	4,657
Playground equipment	241,260	241,260
Construction in process	236,061	90,134
	7,224,238	6,817,624
Less: accumulated depreciation	(1,233,451)	(1,077,807)
	<u>\$ 5,990,787</u>	<u>\$ 5,739,817</u>

Depreciation expense for the years ended June 30, 2025 and 2024, totaled \$160,837 and \$145,040, respectively.

7. 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 I - unadjusted quoted market prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2025 and 2024

7. Fair Value Measurements (Continued)

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, 2025 and 2024, 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, 2025 and 2024:

Description	June 30, 2025	Level 1	Level 2	Level 3
Assets at Fair Value:				
Investments:				
Cash equivalents	\$ 30,836	\$ 30,836	\$ -	\$ -
Fixed income-mutual funds	301,512	301,512	-	-
Fixed income-exchange-traded funds	59,978	59,978	-	-
Equities-exchange-traded funds	786,077	786,077	-	-
Equities-mutual funds	236,012	236,012	-	-
Certificates of deposit	910,000	-	910,000	-
Total investments at fair value	<u>\$ 2,324,415</u>	<u>\$ 1,414,415</u>	<u>\$ 910,000</u>	<u>\$ -</u>

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2025 and 2024

7. Fair Value Measurements (Continued)

Description	June 30, 2024	Level 1	Level 2	Level 3
Assets at Fair Value:				
Investments:				
Cash equivalents	\$ 20,977	\$ 20,977	\$ -	\$ -
Fixed income-mutual funds	224,593	224,593	-	-
Fixed income-exchange-traded funds	139,844	139,844	-	-
Equities-stocks	-	-	-	-
Equities-exchange-traded funds	579,497	579,497	-	-
Equities-mutual funds	296,575	296,575	-	-
Certificates of deposit	310,000	-	310,000	-
Total investments at fair value	\$ <u>1,571,486</u>	\$ <u>1,261,486</u>	\$ <u>310,000</u>	\$ <u>-</u>

8. Debt

Note Payable

In December 2021, the Center entered into a note payable to a bank for \$960,500, payable in monthly payments over a 10-year period in the amount of \$6,924, including interest at 3.57%. The final payment, including all outstanding principal plus accrued interest, shall be due December 15, 2031. The proceeds of the loan were used to purchase a building in North Port, FL. The Center is subject to prepayment penalties for payments over 20% of the principal balance as of January 1st of the calendar year in which the payment is made. The note payable is secured by a security interest in the real property purchased with the proceeds of the loan. The amount outstanding on the note payable as of June 30, 2025 and 2024 is \$472,101 and \$536,818, respectively.

Future payments of principal on the mortgage as of June 30, 2025 are as follows:

2026	\$ 61,970
2027	64,218
2028	66,549
2029	68,964
2030	71,467
Thereafter	138,933
	\$ <u>472,101</u>

9. 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:	2025	2024
Supervised Visitation Program	\$ 37,086	\$ 23,682
Personal Safety and Community Awareness	12,378	38,813
Sexual Abuse Treatment Program	46,019	41,212
Child Protection Team Program	4,399	-
Child Protection Center Programs	194,744	394,121
Capital Campaign	205,118	153,694
Total purpose restrictions	\$ <u>499,744</u>	\$ <u>651,522</u>

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2025 and 2024

10. 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:	2025	2024
Supervised Visitation Program	\$ 23,682	\$ -
Personal Safety and Community Awareness	38,813	8,500
Sexual Abuse Treatment Program	41,212	77,401
Child Protection Team Program	-	54,920
Child Protection Center Programs	314,639	184,960
Capital Campaign	1,076	26,076
Total net assets released from restrictions	<u>\$ 419,422</u>	<u>\$ 351,857</u>

11. Board Designated Net Assets

Board designated net assets as shown on the statements of financial position consisted of the following at June 30:

	2025	2024
Board-designated endowment funds	\$ 1,437,126	\$ 1,283,572
Board-designated reserve for wind self-insurance	250,000	-
Total board designated net assets	<u>\$ 1,687,126</u>	<u>\$ 1,283,572</u>

12. 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, 2025 and 2024.

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

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2025 and 2024

12. Endowment Funds (Continued)

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.

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, 2025 and 2024, 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 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.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2025 and 2024

12. Endowment Funds (Continued)

Endowment Net Asset Composition

Endowment net asset composition by type of fund is as follows as of June 30, 2025:

	Without Donor Restrictions
Donor restricted endowment funds	\$ -
Board-designated endowment funds	1,437,126
	<u>\$ 1,437,126</u>

Endowment net asset composition by type of fund is as follows as of June 30, 2024:

	Without Donor Restrictions
Donor restricted endowment funds	\$ -
Board-designated endowment funds	1,283,572
	<u>\$ 1,283,572</u>

Changes in endowment funds net assets for the year ended June 30, 2025, are as follows:

	Net Assets Without Donor Restrictions
Endowment net assets, beginning of year	\$ 1,283,572
Contributions	3,124
Investment return, net	150,430
Endowment net assets, end of year	<u>\$ 1,437,126</u>

Changes in endowment funds net assets for the year ended June 30, 2024, are as follows:

	Net Assets Without Donor Restrictions
Endowment net assets, beginning of year	\$ 1,125,706
Contributions	196
Investment return, net	157,670
Endowment net assets, end of year	<u>\$ 1,283,572</u>

13. 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, 2025 and 2024, the Center made contributions to the plan totaling \$127,856 and \$113,537, respectively.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2025 and 2024

14. Lease Commitments

The Center leases certain facilities under operating lease agreements, all of which are on a month-to-month basis.

Short-term lease expense for the years ended June 30, 2025 and 2024, were \$19,181 and \$17,974, respectively.

15. 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.

16. Financial Instruments with Credit Risk and Economic Risk

Financial instruments, which potentially subject the Center to concentration 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.

17. 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 grants from federal, state and county agencies that comprise approximately 46% and 40% of the total revenues for the years ended June 30, 2025 and 2024, respectively.

18. Subsequent Events

The Center has evaluated all events subsequent to the statement of financial position date of June 30, 2025, through the date these financial statements were available for issuance, October 22, 2025, and has determined there are no subsequent events that require disclosure under the FASB Accounting Standards Codification.

Supplemental Information

Child Protection Center, Inc.

Schedule of Expenditures of State Financial Assistance

Year Ended June 30, 2025

State Agency / Program Title	CSFA Number	Contract Number	State Expenditures
State of Florida Department of Health			
Medical Services for Abused and Neglected Children	64.006	CPI8A, CPISA	\$ <u>685,275</u>
State of Florida Department of Legal Affairs and Attorney General			
Florida Network of Children's Advocacy Centers	41.031	24/25-GR CAC22	<u>137,384</u>
State of Florida Department of Children and Families			
Florida Network of Children's Advocacy Centers	60.124	24-25-DCF-CAC22	<u>7,052</u>
State of Florida Department of Highway Safety and Motor Vehicles			
Child Abuse Prevention and Intervention License Plate Project	76.067	24-25 LPVC-CAC-22	2,623
Florida Network of Children's Advocacy Center Voluntary Contribution	76.123	24-25 LPVC-CAC-22	<u>902</u>
Total State of Florida Department of Highway Safety and Motor Vehicles			<u>3,525</u>
Total Expenditures of State Financial Assistance			\$ <u><u>833,236</u></u>

See Independent Auditors' Report.

Child Protection Center, Inc.

Notes to Schedule of Expenditures of State Financial Assistance

June 30, 2025

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance (Schedule) includes the State of Florida project activity of the Center, and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations and the requirements of the State of Florida, Chapter 10.650, *Rules of the Auditor General*. The Schedule presents only a selected portion of the operations of The Center and is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center.

Note 2 - Contingencies

Expenditures incurred by the Center are subject to audit and possible disallowance by the State of Florida Departments of Health, Legal Affairs and Attorney General, Children and Families and Highway Safety and Motor Vehicles. Management believes that if audited, any adjustments for disallowed expenses would be immaterial in amount.

Contract Compliance



Kerkering, Barberio & Co.
Certified Public Accountants

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Child Protection Center, Inc. (the Center), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 22, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kukuing Barbanio & Co.

Sarasota, Florida
October 22, 2025



Kerkering, Barberio & Co.
Certified Public Accountants

Report on Compliance for Each Major State Project and Report on Internal Control over Compliance Required by Chapter 10.650, Rules of the Auditor General of the State of Florida

Independent Auditor's Report

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

Report on Compliance for Each Major State Financial Assistance Project

Opinion on Each Major State Financial Assistance Project

We have audited Child Protection Center, Inc.'s (the Center) compliance with the types of compliance requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on the Center's major state financial assistance projects for the year ended June 30, 2025. The Center's major state financial assistance projects are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state financial assistance projects for the year ended June 30, 2025.

Basis for Opinion on Each Major State Financial Assistance Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Chapter 10.650, *Rules of the Auditor General* of the State of Florida. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center and to meet our ethical responsibilities, in accordance with 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 opinion on compliance for the major state financial assistance project. Our audit does not provide legal determination of the Center's compliance with the compliance requirements to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of law, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Center's state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Center's compliance based on our audit. 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, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* of the State of Florida will always detect material noncompliance when it exists. The risks of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Center's compliance with the requirements of each major state financial assistance project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* of the State of Florida, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General* of the State of Florida, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state financial assistance project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state financial assistance project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control Over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, *Rules of the Auditor General* of the State of Florida. Accordingly, this report is not suitable for any other purpose.

KuKuing Barbunio & Co.

Sarasota, Florida
October 22, 2025

Child Protection Center, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

State Projects:

Internal control over major state programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major state programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section Chapter 10.650, Rules of the Auditor General?

☐ yes ☒ no

Child Protection Center, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I - Summary of Auditor's Results (Continued)

State Programs Tested as Major Programs:

CSFA Number

Name of State Program or Cluster

64.006

Medical Services for Abused and Neglected
Children

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Section II - Financial Statement Findings

None

Section III - State Project Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

None

Section V - Other

A management letter is not required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)(e)).