Child Protection Center, Inc.

Financial Statements and
Independent Auditor's Report
June 30, 2023 and 2022

KB KERKERING BARBERIO
ACCOUNTING ▪ TAX ▪ CONSULTING

Contents

Kerkering, Barberio & Co.
Certified Public Accountants

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, 2023 and 2022, 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, 2023 and 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

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

Kerkering Barberio & Co.

Sarasota, Florida
October 25, 2023

Child Protection Center, Inc.

Statements of Financial Position

June 30, 2023 and 2022

		2023		2022
Assets				
Current Assets:				
Cash and cash equivalents	$	2,913,419	$	3,077,605
Grant and contract receivables		259,945		321,912
Prepaid expenses and other current assets		22,604		4,670
Total current assets		3,195,968		3,404,187
Promises to give, net		54,770		-
Property and equipment, net		5,554,423		5,385,622
Investments		1,701,226		978,829
Deposits		3,298		6,284
Total Assets	$	10,509,685	$	9,774,922
Liabilities and Net Assets				
Current Liabilities:				
Accounts payable	$	26,500	$	45,127
Accrued expenses		57,976		68,217
Current portion of note payable		57,705		55,684
Total current liabilities		142,181		169,028
Note payable, net of current portion		680,313		733,061
Total Liabilities		822,494		902,089
Net Assets:				
Without donor restrictions		8,180,933		7,666,421
Without donor restrictions - board-designated endowment		1,125,706		990,772
Total net assets without donor restrictions		9,306,639		8,657,193
With donor restrictions		380,552		215,640
Total Net Assets		9,687,191		8,872,833
Total Liabilities and Net Assets	$	10,509,685	$	9,774,922

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statement of Activities
Year Ended June 30, 2023
(With Summarized Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Revenues and support:				
Federal and state contracts	$ 1,163,058	$ -	$ 1,163,058	$ 1,104,986
County government grants	229,247	-	229,247	265,155
United Way	17,068	-	17,068	21,502
Foundations and private grants	226,016	318,420	544,436	517,148
Contributions	1,260,049	54,770	1,314,819	1,657,949
Contributions - in-kind	5,800	-	5,800	12,566
Investment return, net	139,984	-	139,984	(201,167)
Special events, net of special event expenses of $134,031	472,159	-	472,159	371,696
Other income	49,390	-	49,390	307,270
Client fees	28,500	-	28,500	25,038
Net assets released from restriction	208,278	(208,278)	-	-
Total revenues and support	3,799,549	164,912	3,964,461	4,082,143
Expenses:				
Program services:				
Intervention	1,280,088	-	1,280,088	1,159,645
Prevention and education	372,046	-	372,046	357,813
Treatment	979,164	-	979,164	875,994
Total program services	2,631,298	-	2,631,298	2,393,452
Supporting services:				
Management and general	160,386	-	160,386	94,503
Fundraising	358,419	-	358,419	394,145
Total supporting services	518,805	-	518,805	488,648
Total expenses	3,150,103	-	3,150,103	2,882,100
Change in net assets	649,446	164,912	814,358	1,200,043
Net assets, beginning of year	8,657,193	215,640	8,872,833	7,672,790
Net assets, end of year	$ 9,306,639	$ 380,552	$ 9,687,191	$ 8,872,833

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statement of Activities
Year Ended June 30, 2022
(With Summarized Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2023 Total
Revenues and support:				
Federal and state contracts	$ 1,104,986	$ -	$ 1,104,986	$ 1,163,058
County government grants	265,155	-	265,155	229,247
United Way	21,502	-	21,502	17,068
Foundations and private grants	301,508	215,640	517,148	544,436
Contributions	1,657,949	-	1,657,949	1,314,819
Contributions - in-kind	12,566	-	12,566	5,800
Investment return, net	(201,167)	-	(201,167)	139,984
Special events, net of special event expenses of $87,897	371,696	-	371,696	472,159
Other income	307,270	-	307,270	49,390
Client fees	25,038	-	25,038	28,500
Net assets released from restriction	172,421	(172,421)	-	-
Total revenues and support	4,038,924	43,219	4,082,143	3,964,461
Expenses:				
Program services:				
Intervention	1,159,645	-	1,159,645	1,280,088
Prevention and education	357,813	-	357,813	372,046
Treatment	875,994	-	875,994	979,164
Total program services	2,393,452	-	2,393,452	2,631,298
Supporting services:				
Management and general	94,503	-	94,503	160,386
Fundraising	394,145	-	394,145	358,419
Total supporting services	488,648	-	488,648	518,805
Total expenses	2,882,100	-	2,882,100	3,150,103
Change in net assets	1,156,824	43,219	1,200,043	814,358
Net assets, beginning of year	7,500,369	172,421	7,672,790	8,872,833
Net assets, end of year	$ 8,657,193	$ 215,640	$ 8,872,833	$ 9,687,191

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statement of Functional Expenses
Year Ended June 30, 2023
(With Summarized Totals for 2022)

	Program Services			Total Program Services	Management and General	Fundraising	2023 Total	2022 Total
	Intervention	Prevention and Education	Treatment					
Personnel and contractual:								
Program directors/coordinator	$ 436,979	$ 185,447	$ 70,982	$ 693,408	$ -	$ 17,658	$ 711,066	$ 655,637
Administrative/clerical	126,816	28,749	139,380	294,945	35,307	206,827	537,079	545,099
Medical/psychological/therapist	127,682	-	317,337	445,019	-	-	445,019	385,159
Accountant	66,530	22,621	62,942	152,093	19,032	3,201	174,326	155,072
Fringe benefits and payroll taxes	157,049	58,227	125,126	340,402	11,730	49,400	401,532	375,938
Total personnel and contractual	915,056	295,044	715,767	1,925,867	66,069	277,086	2,269,022	2,116,905
Other expenses:								
Audit	9,720	3,645	8,505	21,870	2,430	-	24,300	23,050
Bank and credit card fees	481	-	36	517	2,686	-	3,203	2,403
Payroll related expenses	13,071	4,902	11,437	29,410	3,267	-	32,677	30,354
Equipment rental and maintenance	34,289	9,503	26,025	69,817	6,919	45	76,781	57,629
Advertising and promotion	4,376	250	902	5,528	2,481	42,821	50,830	45,102
Travel and conferences	18,404	4,667	9,571	32,642	247	3,560	36,449	25,004
Occupancy	12,148	-	8,146	20,294	6,416	-	26,710	85,858
Telephone	7,652	2,404	7,002	17,058	1,566	779	19,403	22,982
Supplies, office and postage	26,489	2,251	13,905	42,645	2,395	2,786	47,826	50,586
Printing and materials	12,593	8,845	19,161	40,599	1,863	12,632	55,094	66,762
Insurance	19,404	5,161	14,951	39,516	3,663	80	43,259	35,404
Meals and entertainment	983	473	683	2,139	868	341	3,348	3,634
Dues and subscriptions	1,639	400	2,126	4,165	759	5,956	10,880	16,682
Miscellaneous	389	39	133	561	4,578	3,145	8,284	31,892
Depreciation	56,234	14,058	49,204	119,496	21,088	-	140,584	112,616
Building expense	103,234	9,723	56,047	169,004	16,418	5	185,427	107,951
Professional fees	25,527	10,681	26,122	62,330	13,196	9,183	84,709	27,589
Bad debt expense	-	-	-	-	2,000	-	2,000	-
Interest expense	18,399	-	9,441	27,840	1,477	-	29,317	19,697
Total other expenses	365,032	77,002	263,397	705,431	94,317	81,333	881,081	765,195
Total functional expenses	$ 1,280,088	$ 372,046	$ 979,164	$ 2,631,298	$ 160,386	$ 358,419	$ 3,150,103	$ 2,882,100

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statement of Functional Expenses
Year Ended June 30, 2022
(With Summarized Totals For 2023)

	Program Services			Total	Management			
	Intervention	Prevention and Education	Treatment	Program Services	and General	Fundraising	2022 Total	2023 Total
Personnel and contractual:								
Program directors/coordinator	$ 402,466	$ 179,476	$ 73,695	$ 655,637	$ -	$ -	$ 655,637	$ 711,066
Administrative/clerical	121,568	27,160	129,973	278,701	19,599	246,799	545,099	537,079
Medical/psychological/therapist	107,726	-	277,433	385,159	-	-	385,159	445,019
Accountant	60,800	20,287	55,714	136,801	9,411	8,860	155,072	174,326
Fringe benefits and payroll taxes	143,996	52,464	117,866	314,326	7,914	53,698	375,938	401,532
Total personnel and contractual	836,556	279,387	654,681	1,770,624	36,924	309,357	2,116,905	2,269,022
Other expenses:								
Audit	9,000	3,375	7,875	20,250	1,075	1,725	23,050	24,300
Bank and credit card fees	313	-	-	313	2,090	-	2,403	3,203
Payroll related expenses	12,142	4,553	10,624	27,319	3,035	-	30,354	32,677
Equipment rental and maintenance	24,027	7,565	19,982	51,574	5,841	214	57,629	76,781
Advertising and promotion	4,753	3,211	1,659	9,623	569	34,910	45,102	50,830
Travel and conferences	10,150	4,617	8,815	23,582	281	1,141	25,004	36,449
Occupancy	54,104	-	26,963	81,067	4,791	-	85,858	26,710
Telephone	11,632	2,271	6,959	20,862	1,520	600	22,982	19,403
Supplies, office and postage	18,134	2,391	22,305	42,830	2,398	5,358	50,586	47,826
Printing and materials	24,586	23,339	13,464	61,389	1,295	4,078	66,762	55,094
Insurance	15,654	4,294	12,265	32,213	3,119	72	35,404	43,259
Meals and entertainment	1,263	9	244	1,516	1,499	619	3,634	3,348
Dues and subscriptions	2,384	626	3,049	6,059	286	10,337	16,682	10,880
Miscellaneous	5,225	845	2,044	8,114	3,560	20,218	31,892	8,284
Depreciation	45,047	11,262	39,416	95,725	16,891	-	112,616	140,584
Building expense	60,754	8,105	32,009	100,868	7,014	69	107,951	185,427
Professional fees	11,132	1,963	6,754	19,849	2,293	5,447	27,589	84,709
Bad debt expense	-	-	-	-	-	-	-	2,000
Interest expense	12,789	-	6,886	19,675	22	-	19,697	29,317
Total other expenses	323,089	78,426	221,313	622,828	57,579	84,788	765,195	881,081
							-	
Total functional expenses	$ 1,159,645	$ 357,813	$ 875,994	$ 2,393,452	$ 94,503	$ 394,145	$ 2,882,100	$ 3,150,103

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	$ 814,358	$ 1,200,043
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation	140,584	112,616
Forgiveness of Paycheck Protection Program loan	-	(288,297)
Realized and unrealized (gain) loss on investments, net	(95,047)	230,482
Change in operating assets:		
Grant and contract receivables	61,967	(82,245)
Promises to give	(54,770)	-
Prepaid expenses and other current assets	(17,934)	1,371
Deposits	2,986	(1,352)
Change in operating liabilities:		
Accounts payable	(18,627)	40,490
Accrued expenses	(10,241)	(5,871)
Net cash provided by operating activities	823,276	1,207,237
Cash Flows from Investing Activities:		
Purchases of property and equipment	(309,385)	(915,407)
Purchases of investments	(1,362,649)	(622,937)
Proceeds from sales of investments	735,299	593,768
Net cash used in investing activities	(936,735)	(944,576)
Cash Flows from Financing Activities:		
Payments on note payable	(50,727)	(185,358)
Net cash used in financing activities	(50,727)	(185,358)
Net change in cash and cash equivalents	(164,186)	77,303
Cash and cash equivalents, beginning of year	3,077,605	3,000,302
Cash and cash equivalents, end of year	$ 2,913,419	$ 3,077,605
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 29,476	19,538
Acquisition of property and equipment with note payable	$ -	960,500

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)

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 and $0 as of June 30, 2023 and 2022, respectively,

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	3-7
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, 2023 and 2022.

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 services provided are included as Contributions – in-kind on the accompanying Statement of Activities. The fair value is estimated based on the cost of the services if they had been purchased. There are no donor-imposed restrictions on the Center’s contributed nonfinancial assets as of the year ended June 30, 2023 and 2022.

Contributions – in-kind for the years ended June 30 consisted of the following:

	2023	2022
Advertising	$ -	$ 11,012
Services	5,800	-
Other	-	1,554
Total contributions – in-kind	$ 5,800	$ 12,566

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.

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, 2023 and 2022.

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, 2020 through June 30, 2023.

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.

Adoption of New Accounting Pronouncement

In February 2016, the FASB issued ASC Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The Center adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. The Center made an accounting policy election under Topic 842 not to recognize right-of-use assets and liabilities for leases with a term of 12 months or less. Topic 842 did not have a material impact on the Center's financial statements.

3. Liquidity and Availability

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

	2023	2022
Cash and cash equivalents	$ 2,913,419	$ 3,077,605
Grant and contract receivables	259,945	321,912
Investments	1,701,226	978,829
Total financial assets	4,874,590	4,378,346
Less: Amounts unavailable to be used within one year:		
Net assets with donor restrictions to be met in less than a year	(380,552)	(215,640)
Board-designated endowment	(1,125,706)	(990,772)
	(1,506,258)	(1,206,412)
Financial assets available to meet general expenditures within one year	$ 3,368,332	$ 3,171,934

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, 2023 and 2022, the Center has approximately $1,125,706 and $990,772, respectively, in resources that could be available upon approval of the Board to provide support for the Center's programs and facilities. See Note 11.

4. Investments

Investments consisted of the following as of June 30:

	Market Value	
	2023	2022
Money market fund	$ 54,560	$ 56,368
Fixed income funds	238,272	262,223
Equities	757,271	660,238
Alternative investments	53,713	-
U.S. treasury notes	597,410	-
	$ 1,701,226	$ 978,829

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

	2023	2022
Interest and dividends	$ 50,230	$ 35,553
Realized and unrealized gain (loss)	95,047	(230,482)
Investment fees	(5,293)	(6,238)
Investment return, net	$ 139,984	$ (201,167)

5. Promises to Give, Net

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

	2022	2021
Promises to give	$ 60,000	$ -
Less: discount to net present value at a rate of 3.23%	(3,230)	-
Less: allowance	(2,000)	-
Promises to give, net	54,770	-
Less: current portion	-	-
Amount collectible in 1-5 years	$ 54,770	$ -

6. Property and Equipment

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

	2023	2022
Land	$ 2,921,197	$ 2,921,197
Building and improvements	3,353,258	3,063,023
Equipment	128,676	432,785
Furniture	4,352	179,395
Playground equipment	178,909	178,909
	6,586,392	6,775,309
Less: accumulated depreciation	(1,031,969)	(1,389,687)
	$ 5,554,423	$ 5,385,622

Depreciation expense for the years ended June 30, 2023 and 2022, totaled $140,584 and $112,616, 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 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.

7. Fair Value Measurements (Continued)

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, 2023 and 2022, 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, 2023 and 2022:

Description	June 30, 2023	Level 1	Level 2	Level 3
Assets at Fair Value:				
Investments:				
Money market fund	$ 54,560	$ 54,560	$ -	$ -
Fixed income-mutual funds	102,858	102,858	-	-
Fixed income-exchange-traded funds	135,414	135,414	-	-
Equities-stocks	161,937	161,937	-	-
Equities-exchange-traded funds	470,511	470,511	-	-
Equities-mutual funds	124,823	124,823	-	-
Alternative investments-mutual funds	53,713	53,713	-	-
U.S. treasury notes	597,410	-	597,410	-
Total investments at fair value	$ 1,701,226	$ 1,103,816	$ 597,410	$ -

Description	June 30, 2022	Level 1	Level 2	Level 3
Assets at Fair Value:				
Investments:				
Money market fund	$ 56,368	$ 56,368	$ -	$ -
Fixed income-mutual funds	173,086	173,086	-	-
Fixed income-exchange-traded funds	89,137	89,137	-	-
Equities-stocks	78,896	78,896	-	-
Equities-exchange-traded funds	290,500	290,500	-	-
Equities-mutual funds	290,842	290,842	-	-
Total investments at fair value	$ 978,829	$ 978,829	$ -	$ -

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, 2023 and 2022 is $738,018 and $788,745, respectively.

Future payments of principal on the mortgage as of June 30, 2023 are as follows:

2024	$	57,705
2025		59,799
2026		61,970
2027		64,218
2028		66,549
Thereafter		427,777
	$	738,018

Paycheck Protection Program Loan

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. On July 21, 2021, the Center was notified that $288,297 of the PPP Loan described above was forgiven. Accordingly, the forgiven principal amount of $288,297 was included in other income on the accompanying statement of activities during the year ended June 30, 2022. The Center paid the remaining principal of the loan in the amount of $13,603 on August 10, 2021.

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:		2023		2022
Supervised Visitation Program	$	-	$	6,270
Personal Safety and Community Awareness		8,500		11,000
Sexual Abuse Treatment Program		77,401		38,000
Child Protection Team Program		54,921		54,430
Child Protection Center programs		184,960		105,940
Capital Campaign		54,770		-
Total purpose restrictions	$	380,552	$	215,640

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:		2023		2022
Supervised Visitation Program	$	6,270	$	13,596
Personal Safety and Community Awareness		11,000		99,037
Sexual Abuse Treatment Program		30,599		50,000
Child Protection Team Program		54,429		-
Child Protection Center programs		105,980		9,788
Total net assets released from restrictions	$	208,278	$	172,421

11. 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, 2023 and 2022.

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.

11. 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, 2023 and 2022, 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.

Endowment Net Asset Composition

Endowment net asset composition by type of fund is as follows as of June 30, 2023:

		Without Donor Restrictions
Donor restricted endowment funds	$	-
Board-designated endowment funds		1,125,706
	$	1,125,706

Endowment net asset composition by type of fund is as follows as of June 30, 2022:

		Without Donor Restrictions
Donor restricted endowment funds	$	-
Board-designated endowment funds		990,772
	$	990,772

11. Endowment Funds (Continued)

Changes in Endowment Net Assets

Changes in endowment funds net assets for the year ended June 30, 2023, are as follows:

		Net Assets Without Donor Restrictions
Endowment net assets, beginning of year	$	990,772
Contributions		9,948
Investment return, net		124,986
Endowment net assets, end of year	$	1,125,706

Changes in endowment funds net assets for the year ended June 30, 2022, are as follows:

		Net Assets Without Donor Restrictions
Endowment net assets, beginning of year	$	1,191,111
Contributions		974
Investment return, net		(201,313)
Endowment net assets, end of year	$	990,772

12. 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, 2023 and 2022, the Center made contributions to the plan totaling $95,075 and $100,240, respectively.

13. 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, 2023 and 2022, were approximately $26,710 and $85,858, respectively.

14. 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.

15. 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.

16. 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 31% and 28% of the total revenues for the years ended June 30, 2023 and 2022, respectively.

The Center also received 17% of total revenues from an individual donor for the year ended June 30, 2022.

17. Subsequent Events

The Center has evaluated all events subsequent to the statement of financial position date of June 30, 2023, through the date these financial statements were available for issuance, October 25, 2023, and has determined there are no subsequent events that require disclosure under the FASB Accounting Standards Codification.