



To the Board of Directors and Management
of The Child Advocacy Center of Northeast Missouri, Inc.
d/b/a/ The Child Center

We have audited the financial statements of The Child Advocacy Center of Northeast Missouri, Inc. d/b/a/ The Child Center for the year ended June 30, 2024, and have issued our report thereon dated September 25, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Center are described in Note 2 to the financial statements. No new policies were adopted and the application of existing policies were not changed during the fiscal year 2024. We noted no transactions entered into by the Center during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management records and depreciates capital assets according to the Center's capital asset policy as described in Note 2 to the financial statements. Depreciation is based on the estimated useful lives of the assets.
- Management allocates expenses based on estimates of time or relevant basis to program, management, and fundraising categories.
- Management records in-kind donations at their estimated fair value.
- Management records the estimated value of contributed services in accordance with FASB Accounting Standards Codification Topic 958, as described in Note 2 to the financial statements.

- Management’s estimate of the collectability of accounts and pledges receivable is based on management’s experience and expectation of collection.
- Operating lease liability and related right-to-use asset are calculated based on an implied interest rate at the time of lease signing or amendments.
- Operating lease receivable and related deferred lease income are calculated based on an implied interest rate at the time of lease signing or amendments.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are an integral part of the statements and should be read in conjunction with them.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has approved the proposed immaterial audit adjustments.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

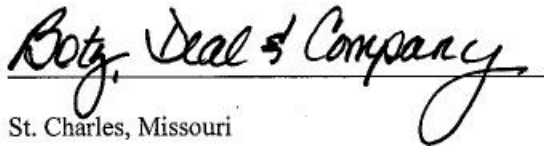
Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Center’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Center's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of board of directors and management of the Center and is not intended to be, and should not be, used by anyone other than these specified parties. Management's written response has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

A handwritten signature in cursive script that reads "Bolz, Deal & Company". The signature is written in black ink and is positioned above a horizontal line.

St. Charles, Missouri

September 25, 2024

***THE CHILD ADVOCACY CENTER
OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER***

***FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023***

***THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER***

WENTZVILLE, MISSOURI

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INDEPENDENT AUDITORS' REPORT



Board of Directors
***THE CHILD ADVOCACY CENTER OF
NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER***

Opinion

We have audited the accompanying financial statements of The Child Advocacy Center of Northeast Missouri, Inc. d/b/a The Child Center, (a not-for-profit agency) which comprise the statement of financial position as of June 30, 2024 and 2023 and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Child Advocacy Center of Northeast Missouri, Inc. as of June 30, 2024 and 2023, and the changes in their net assets and 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. 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 Child Advocacy Center of Northeast Missouri, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Child Advocacy Center of Northeast Missouri, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

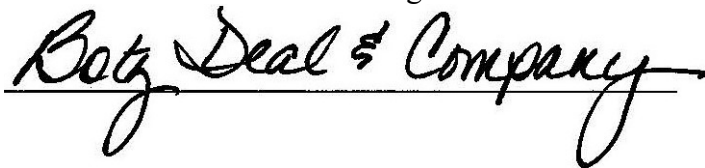
Auditors' Responsibility for the Audit of the Financial Statements

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 generally accepted 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, including omissions, 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 generally accepted 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 Child Advocacy Center of Northeast Missouri, Inc.'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 Child Advocacy Center of Northeast Missouri, Inc.'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.

A handwritten signature in cursive script that reads "Betz Deal & Company". The signature is written in black ink and is positioned above a horizontal line.

St. Charles, Missouri
September 25, 2024

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.

D/B/A THE CHILD CENTER

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 699,370	\$ 602,891
Accounts receivable	178,902	238,888
Lease receivable	37,078	-
Promises to give	38,332	33,332
Prepaid expenses	28,194	17,650
TOTAL CURRENT ASSETS	<u>981,876</u>	<u>892,761</u>
PROPERTY AND EQUIPMENT		
Land	318,858	-
Construction in progress	1,600	-
Building	1,611,142	-
Equipment	151,687	156,588
Furniture and fixtures	9,498	10,848
Leasehold improvements	634,518	525,945
Right-of-use asset - operating leases	188,413	343,754
Total Cost	<u>2,915,716</u>	<u>1,037,135</u>
Less: accumulated depreciation and amortization	<u>(254,003)</u>	<u>(248,428)</u>
NET PROPERTY AND EQUIPMENT	<u>2,661,713</u>	<u>788,707</u>
OTHER ASSETS		
Leases receivable	60,703	-
Beneficial interest in Assets held at YouthBridge Community Foundation	81,854	51,084
TOTAL OTHER ASSETS	<u>142,557</u>	<u>51,084</u>
TOTAL ASSETS	<u>\$ 3,786,146</u>	<u>\$ 1,732,552</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 39,443	\$ 28,331
Accrued payroll and payroll tax liabilities	87,821	68,242
Deferred revenues	83,871	95,104
Deferred lease income	37,078	-
Lease liability - operating	93,375	59,756
TOTAL CURRENT LIABILITIES	<u>341,588</u>	<u>251,433</u>
NONCURRENT LIABILITIES		
Note payable	800,000	-
Lease liabilities - operating	55,374	208,798
Deferred lease income	60,703	-
Accrued compensated absences	36,610	27,839
TOTAL NONCURRENT LIABILITIES	<u>952,687</u>	<u>236,637</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	2,408,539	1,186,150
Board designated:		
Permanently restricted - endowment	75,000	50,000
With donor restrictions:		
Time	8,332	8,332
TOTAL NET ASSETS	<u>2,491,871</u>	<u>1,244,482</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,786,146</u>	<u>\$ 1,732,552</u>

The accompanying notes are an integral part of these financial statements.

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
SUPPORT AND OTHER REVENUE			
Federal grants	\$ 452,237	\$ -	\$ 452,237
State grants	808,563	-	808,563
Local grants	1,108,578	-	1,108,578
Foundation grants	66,345	-	66,345
Other grants	25,295	-	25,295
Corporate donations	94,165	-	94,165
Foundation donations	30,761	-	30,761
Individual donations	69,844	-	69,844
United Way	21,457	8,332	29,789
In-kind donations	1,268,454	-	1,268,454
Fundraisers and special events	684,833	-	684,833
Less: direct benefits to donors	(129,671)	-	(129,671)
Rental income	31,975	-	31,975
Interest income	15,244	-	15,244
Miscellaneous	11,094	-	11,094
Gain on investments	7,941	-	7,941
Gain on terminated leases	1,481	-	1,481
Loss on fixed asset dispositions	(5,583)	-	(5,583)
Net assets released from restriction - passage of time	8,332	(8,332)	-
TOTAL SUPPORT AND OTHER REVENUE	<u>4,571,345</u>	<u>-</u>	<u>4,571,345</u>
EXPENSES			
Program Services:			
Prevention services	747,327	-	747,327
Victim services	1,942,786	-	1,942,786
Total Program Services	<u>2,690,113</u>	<u>-</u>	<u>2,690,113</u>
Support Services:			
General and administrative	359,632	-	359,632
Development and fundraising	274,211	-	274,211
Total Support Services	<u>633,843</u>	<u>-</u>	<u>633,843</u>
TOTAL EXPENSES	<u>3,323,956</u>	<u>-</u>	<u>3,323,956</u>
CHANGE IN NET ASSETS	1,247,389	-	1,247,389
NET ASSETS - BEGINNING OF YEAR	<u>1,236,150</u>	<u>8,332</u>	<u>1,244,482</u>
NET ASSETS - END OF YEAR	<u>\$ 2,483,539</u>	<u>\$ 8,332</u>	<u>\$ 2,491,871</u>

The accompanying notes are an integral part of these financial statements.

**THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND OTHER REVENUE			
Federal grants	\$ 572,842	\$ -	\$ 572,842
State grants	604,107	-	604,107
Local grants	1,228,327	-	1,228,327
Foundation grants	65,470	-	65,470
Other grants	32,992	-	32,992
Corporate donations	86,486	-	86,486
Foundation donations	16,731	-	16,731
Individual donations	125,272	-	125,272
United Way	15,164	8,332	23,496
In-kind donations	204,319	-	204,319
Fundraisers and special events	563,215	-	563,215
Less: direct benefits to donors	(117,484)	-	(117,484)
Interest income	774	-	774
Miscellaneous	2,950	-	2,950
Gain on investments	3,400	-	3,400
Net assets released from restriction - passage of time	6,000	(6,000)	-
TOTAL SUPPORT AND OTHER REVENUE	3,410,565	2,332	3,412,897
EXPENSES			
Program Services:			
Prevention services	666,119	-	666,119
Victim services	1,738,442	-	1,738,442
Total Program Services	2,404,561	-	2,404,561
Support Services:			
General and administrative	313,642	-	313,642
Development and fundraising	279,355	-	279,355
Total Support Services	592,997	-	592,997
TOTAL EXPENSES	2,997,558	-	2,997,558
CHANGE IN NET ASSETS	413,007	2,332	415,339
NET ASSETS - BEGINNING OF YEAR	823,143	6,000	829,143
NET ASSETS - END OF YEAR	\$ 1,236,150	\$ 8,332	\$ 1,244,482

The accompanying notes are an integral part of these financial statements.

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	PROGRAM SERVICES			SUPPORT SERVICES		
	Prevention Services	Victim Services	Total Program Services	General and Administration	Development/Fundraising	Total
Salaries, benefits, and payroll taxes	\$ 588,997	\$ 1,358,362	\$ 1,947,359	\$ 238,343	\$ 199,567	\$ 2,385,269
Advertising and marketing	-	-	-	-	1,273	1,273
Contracted services	5,850	140,940	146,790	7,000	13,046	166,836
Credit card fees	-	-	-	17,429	-	17,429
Depreciation	21,763	45,051	66,814	6,902	4,898	78,614
Employee development and training	11,701	19,426	31,127	9,013	1,692	41,832
Equipment and furnishings	8,142	23,376	31,518	7,461	6,025	45,004
Fundraising events	-	-	-	-	129,671	129,671
Insurance	6,516	13,488	20,004	2,066	1,467	23,537
Interest	7,351	24,385	31,736	4,577	5,414	41,727
Janitorial	3,784	7,834	11,618	1,200	852	13,670
Memberships	-	6,218	6,218	976	2,370	9,564
Miscellaneous	302	624	926	215	68	1,209
Office expenses	8,860	18,342	27,202	2,810	7,600	37,612
Office expenses in-kind	8,775	18,164	26,939	2,783	1,975	31,697
Office supplies	3,613	7,480	11,093	1,146	813	13,052
Program supplies	10,968	14,521	25,489	-	-	25,489
Postage and delivery	-	-	-	1,558	1,813	3,371
Professional fees	-	4,124	4,124	30,956	-	35,080
Professional fees in-kind	996	2,061	3,057	316	224	3,597
Rent	9,205	62,855	72,060	3,094	2,634	77,788
Rent in-kind	15,879	89,436	105,315	10,208	11,032	126,555
Real estate taxes	2,576	8,546	11,122	1,604	1,897	14,623
Repairs and maintenance	6,602	18,485	25,087	2,294	1,821	29,202
Repair and maintenance in-kind	1,363	2,822	4,185	433	307	4,925
Security system	1,044	2,162	3,206	331	235	3,772
Telephone	5,054	10,462	15,516	1,603	1,138	18,257
Travel	11,956	31,138	43,094	3,401	4,693	51,188
Utilities	6,030	12,484	18,514	1,913	1,357	21,784
TOTAL EXPENSES	747,327	1,942,786	2,690,113	359,632	403,882	3,453,627
Less expenses included with revenues on the statement of activities:						
Fundraising events - direct benefits to donors	-	-	-	-	(129,671)	(129,671)
Total expenses on statement of activities	\$ 747,327	\$ 1,942,786	\$ 2,690,113	\$ 359,632	\$ 274,211	\$ 3,323,956

The accompanying notes are an integral part of these financial statements.

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.

D/B/A THE CHILD CENTER

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

	PROGRAM SERVICES			SUPPORT SERVICES		
	Prevention Services	Victim Services	Total Program Services	General and Administrative	Development/ Fundraising	Total
Salaries, benefits and payroll taxes	\$ 515,856	\$ 1,273,231	\$ 1,789,087	\$ 224,705	\$ 228,526	\$ 2,242,318
Advertising and marketing	-	744	744	-	3,854	4,598
Contracted services	5,383	69,898	75,281	180	-	75,461
Credit card fees	-	-	-	14,811	-	14,811
Depreciation	8,541	19,437	27,978	3,396	2,539	33,913
Employee development and training	14,713	42,767	57,480	4,452	893	62,825
Equipment and furnishings	1,220	20,953	22,173	446	2,641	25,260
Fundraising events	-	-	-	-	117,484	117,484
Insurance	4,351	9,902	14,253	1,730	1,294	17,277
Janitorial	2,796	6,364	9,160	1,112	831	11,103
Memberships	-	6,573	6,573	896	1,659	9,128
Miscellaneous	-	-	-	167	-	167
Office expenses	6,066	13,804	19,870	2,412	8,653	30,935
Office expenses in-kind	6,000	13,654	19,654	2,385	1,784	23,823
Office supplies	2,349	5,345	7,694	934	698	9,326
Program supplies	9,838	25,301	35,139	-	-	35,139
Postage and delivery	78	12	90	1,088	1,857	3,035
Professional fees	-	5,155	5,155	18,183	-	23,338
Professional fees - in-kind	-	2,360	2,360	1,297	-	3,657
Rent	26,752	75,610	102,362	10,607	5,698	118,667
Rent in-kind	39,526	89,952	129,478	15,714	11,750	156,942
Repairs and maintenance	2,092	8,761	10,853	832	622	12,307
Security system	821	1,868	2,689	326	244	3,259
Telephone	4,471	10,175	14,646	1,777	1,329	17,752
Travel	10,637	26,041	36,678	4,352	3,107	44,137
Utilities	4,629	10,535	15,164	1,840	1,376	18,380
TOTAL EXPENSES	666,119	1,738,442	2,404,561	313,642	396,839	3,115,042
Less expenses included with revenues on the statement of activities:						
Fundraising events - direct benefits to donors	-	-	-	-	(117,484)	(117,484)
Total expenses on statement of activities	\$ 666,119	\$ 1,738,442	\$ 2,404,561	\$ 313,642	\$ 279,355	\$ 2,997,558

The accompanying notes are an integral part of these financial statements.

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from service recipients and funding agencies	\$ 2,429,493	\$ 2,261,738
Cash received from contributors, grants, and special events	986,970	977,441
Cash received from tenants	31,975	-
Cash paid to suppliers and employees	(3,104,374)	(2,848,704)
Interest received	15,244	774
Interest paid	(41,727)	-
Other cash receipts	11,094	2,950
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	328,675	394,199
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(1,007,196)	(251,138)
Cash invested for endowment	(25,000)	(25,000)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,032,196)	(276,138)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of notes payable	861,100	-
Principal payments on debt	(61,100)	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	800,000	-
 NET INCREASE (DECREASE) IN CASH	96,479	118,061
 CASH - BEGINNING OF YEAR	602,891	484,830
 CASH - END OF YEAR	\$ 699,370	\$ 602,891

The accompanying notes are an integral part of these financial statements.

**RECONCILIATION OF CHANGE IN NET ASSETS
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

	2024	2023
CHANGE IN NET ASSETS	\$ 1,247,389	\$ 415,339
 ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Depreciation	78,614	33,913
In-kind capital assets - donated land and building	(1,069,680)	-
(Gain) loss on endowment investment	(5,770)	(3,193)
Loss of disposal of fixed assets	5,583	-
Gain on terminated leases	(1,481)	-
Right of use - office space	2,042	2,360
(Increase) decrease in assets:		
Accounts receivable	60,115	(143,538)
Pledges receivable	(5,000)	(27,332)
Prepaid expenses	(10,544)	637
Increase (decrease) in liabilities:		
Accounts payable	10,290	12,607
Accrued payroll and payroll tax liabilities	19,579	11,980
Accrued compensated absences	8,771	522
Deferred revenues	(11,233)	90,904
TOTAL ADJUSTMENTS	(918,714)	(21,140)
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 \$ 328,675	 \$ 394,199

Supplemental Data For Noncash Activities:

In-kind contributions	\$ 1,268,454	\$ 204,319
Loss on liquidated stock donation	(2,171)	(207)
Rent adjustment lease liability and right of use asset	(2,042)	(2,362)

The accompanying notes are an integral part of these financial statements.

THE CHILD ADVOCACY CENTER OF NORTHEAST MISSOURI, INC.
D/B/A THE CHILD CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. **DESCRIPTION OF OPERATIONS**

The Child Advocacy Center of Northeast Missouri serves child victims of sexual abuse, physical abuse, and children or adolescents who witness violence. The mission of the Center is to deliver excellence in child abuse response, offer a path toward healing, and educate the community. Since opening doors in January 2000, the Center has grown to serve 14 counties with locations in Wentzville, Hannibal, and Memphis.

The Center's primary goal is to ensure children disclosing abuse are not further victimized by the intervention systems designed to protect them. As front-line responders to reports of child physical and sexual abuse, the Center is the only non-profit organization in northeast Missouri coordinating the efforts of law enforcement professionals, child protection staff, family advocates, medical experts, and mental health clinicians under one roof. Children and their families have access to all services at no cost.

Victim Services - The Center has licensed professionals on staff who are specially trained to provide and assist in the following services:

Forensic Interviews - Specially-trained interviewers conduct a fact-finding conversation with the child using non-leading questions to obtain details about what occurred. The multidisciplinary team comprised of law enforcement, child protection staff, prosecuting attorney, etc., observe in a separate room via closed-circuit television to obtain information needed about the abuse. The Center has a Commercial Exploitation of Children Coordinator on staff to provide coordination of the multidisciplinary team for human trafficking and child sexual exploitation cases.

Advocacy - The trained advocate supports the non-offending parent or caregiver by coordinating resources and referrals, providing education and support, and maneuvering through the criminal justice process.

Therapy - The Center employs in-house licensed therapists, in addition to contracting with licensed professionals, to provide evidence-based trauma therapy for children and their parents to facilitate healing.

Professional Training Services - The Center provides ongoing training to the community, including staff, law enforcement, juvenile authorities, therapists, prosecutors, and other relevant parties, to improve the services for handling child sexual abuse cases. Participants are part of a multidisciplinary team working together to resolve suspected cases of abuse. Currently, these training services are offered through outside seminars and courses, including the Center's Justice for Children Conference.

1. **DESCRIPTION OF OPERATIONS** - continued

Prevention Services - The Center provides child abuse prevention education programs for children, parents, and professionals in the community. Developmentally-appropriate programs are created for children pre-k through high school, with the primary focus to educate children about appropriate boundaries and empower victims to disclose to a safe and trusted adult. The Center offers mandated reporter training for professionals who work with children and parent education seminars tailored to meet the concerns of parents, caregivers, and guardians.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Net Assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated from net assets without donor restrictions, as net assets for a board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition - Grant revenue under cost-reimbursable contracts are recognized when the condition is met. Funds received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Facilities - Donations of office space provided to the Center is recorded as contributions at fair market value of the space provided. Such donations are reported as unrestricted support unless the donor has restricted donation to a specific purpose.

Donated Services - Donated services are recognized as contributions in accordance with FASB Accounting Standards Codification Topic 958, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Center with specific programs and administrative tasks. Services that meet the criteria of FASB Accounting Standards Codification Topic 958 are recorded as in-kind donation of services.

Cash and Cash Equivalents - For the purposes of the statement of cash flows, the Center considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Concentration of Cash - The Center maintains its cash and cash equivalents at two commercial banks. The balances are insured at each location up to the amounts allowed by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2024, there were no uninsured deposits.

Accounts Receivable - Accounts receivable consists of grant revenue, fees for services provided and sponsorships earned but not yet received. An allowance for doubtful accounts is not deemed necessary as management considers the balances to be fully collectible within the next year, and historically, few balances have been written off. Approximately 96% and 99% of the accounts receivable balances were due from national, state, and local agencies, for the years ended June 30, 2024, and 2023, respectively. The Center considers a receivable to be past due after thirty days. As of June 30, 2024 there were no past due receivables.

Advertising Costs - Advertising costs are expensed in the period in which the costs are incurred. Advertising expense was \$1,273 and \$4,598 for the years ended June 30, 2024 and 2023, respectively.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expense - The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Expenses which directly benefit programs, management and general or fundraising are charged to the respective functional area on the basis of actual costs. Other expenses attributed to more than one program or supporting function, are allocated using an appropriate allocation method that is consistently applied. The following expenses are allocated based on the Center's estimates of time and effort of individual employees; salaries, employee benefits, conference expenses, contracted services, depreciation, employee development & training, rent, occupancy, office expenses, dues & memberships, program supplies, and professional fees.

Income Taxes - The Child Advocacy Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(A) and has determined that the Center is not classified as a private foundation under Section 509 (a)(2).

Promises to Give - Unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectible promise to give based on historical experience, and assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2024 and 2023, all promises to give are receivable in less than one year and deemed 100% collectible.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and Equipment - All acquisitions of property and equipment in excess of \$2,500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Depreciation is calculated using the straight-line method over the estimated useful life of each asset as follows:

Major Group	Method	Life
Leasehold improvements	Straight-line	10 - 39 years
Furniture and equipment	Straight-line	5 - 10 years

Depreciation expense was \$78,614 and \$33,913 for the years ended June 30, 2024 and 2023, respectively.

Leases - The Center is a lessee for noncancellable leases for office space at multiple locations within their service area. The Center recognizes a lease payable and a right-to-use asset in the financial statements.

The Center initially measures the lease payable at the present value of payments expect to be paid during the lease period, in accordance with ASU 2016-02 *Leases*. Subsequently, the lease payable is reduced by the principal portion of the lease payments made. The right-to-use asset is initially measured as the initial amount of the lease payable, adjusted for the lease payments at or before the lease commencement date. Subsequently, the right-to-use asset is amortized over the life of the lease term.

The Center is a lessor for noncancelable lease of office space. The Center recognizes a lease receivable and deferred lease income in the financial statements.

The Center initially measures the lease receivable at the present value of payments expect to be received during the lease period, in accordance with ASU 2016-02 *Leases*. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received.

Deferred lease income is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred lease income is recognized systematically as revenue over the life of the lease term.

Key estimates and judgments include how the Center determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Center uses its estimated incremental borrowing rate as the discount rate for leases. This rate is reduced if the incremental borrowing rate is more than the implied rate in the lease.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease payable is composed of fixed payments from the lease.

The Center monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable, deferred lease income, lease payable and right-to-use asset if certain changes occur that are expected to significantly affect the amounts of the leases.

3. **LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

Financial assets:		
Cash	\$	699,370
Accounts receivable		178,902
Leases receivable		37,078
Promises to give		38,332
Endowment - YouthBridge		81,854
Financial assets, at year-end		<u>1,035,536</u>
Less those unavailable for general expenditures within one year due to donor-imposed restrictions:		
Restrictions by donor for time or purpose		(8,332)
Less those unavailable for general expenditures due to permanent restriction:		
Endowment YouthBridge		<u>(75,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>952,204</u></u>

4. **PROMISES TO GIVE**

Promises to give as of June 30, 2024 and 2023 are \$38,332 and 33,332, respectively. All pledges are receivable in less than one year and deemed 100% collectible.

For each of the years ended, June 30, 2024 and 2023, two and one donor accounted for 100% of total promises to give, respectively.

Promises to give totaling \$8,332 and \$8,332 received during the years ended June 30, 2024 and 2023, respectively, were restricted by donors for future-year operations and were reported as contributions with donor restrictions.

5. **LEASE RECEIVABLE**

On October 31, 2023 the Center purchased a building for office space with an existing tenant lease through December 31, 2026. The cost of the land and building was \$1,930,000 and accumulated depreciation was \$25,547 as of June 30, 2024. The lease calls for monthly payments of \$3,541.

The Center recognized \$29,067 in lease revenues and \$7,922 in interest revenue during the current year related to this lease. As of June 30, 2024 the Center's lease receivable and deferred lease income was \$97,781.

	Future Minimum Lease Payments
2025	42,500
2026	42,500
2027	21,250
Total payments	106,250
Portion representing interest	(8,469)
Lease receivable	<u>\$ 97,781</u>

6. **BENEFICIAL INTEREST IN ASSETS HELD AT YOUTHBRIDGE COMMUNITY FOUNDATION**

The Center, as approved by the board of directors, established a quasi-endowment fund with YouthBridge with an initial deposit of \$25,000 in February 2022. The assets of the fund are held and owned by YouthBridge and subject to its investment policies. The principal is to be retained and earnings are available for distribution by YouthBridge to the Center, to provide unrestricted support for the maintenance and growth of its operations. The annual spending policy is defined as, four percent of the Fund's rolling three year quarterly average market value shall be paid and distributed to the Center at least annually.

Distributions in excess of the annual spending policy of the Fund may be made as determined by YouthBridges's board of directors. The YouthBridge Board has the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specific organization if, in the sole judgment of the Board such restriction or condition becomes in effect, unnecessary, obsolete incapable of fulfillment, or inconsistent with the charitable needs of the Center. The activity of the endowment fund held by YouthBridge as of June 30 is as follows:

	2024	2023
Beginning balance at July 1, 2023	\$ 51,084	\$ 22,888
Contributions	25,000	25,000
Investment returns/(losses), net	5,770	3,196
Ending balance as of June 30, 2024	<u>\$ 81,854</u>	<u>51,084</u>

6. **BENEFICIAL INTEREST IN ASSETS HELD AT YOUTHBRIDGE COMMUNITY FOUNDATION** - continued

From time to time, the fair value associated with endowment funds may fall below the initial \$25,000 amount used to establish the endowment. As of June 30, 2024 the fund experienced net gains of \$5,770.

The Center was eligible for matching funds with YouthBridge up to 50% of the initial deposit to the Fund. YouthBridge established a separate fund of \$12,500, designating the Center as the beneficiary of earnings. The Center received an additional \$2,500 in matching funds during the years ended June 30, 2024 and 2023, for a total of \$17,500 in YouthBridge matching funds. Distributions are made in accordance with YouthBridge’s spending policy and as determined by their board of directors. The Center received \$-0- in distributions related to this matching-fund during the years ended June 30, 2024 and 2023.

7. **INVESTMENTS**

The following is a summary of assets held at fair value for the years ending June 30, 2024 and 2023:

Description	Total	2024		
		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Held at YouthBridge Community Foundation	\$ 81,854	\$ -	\$ -	\$ 81,854

Description	Total	2023		
		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Held at YouthBridge Community Foundation	\$ 51,084	\$ -	\$ -	\$ 51,084

7. **INVESTMENTS** - continued

The beneficial interest in assets held at YouthBridge Community Foundation has been valued as a practical expedient, at the fair value of the Center's share of the Foundation's investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The Foundation's investments are composed approximately of 40 percent domestic and international equities, 50 percent fixed income, and 10 percent cash equivalents. The beneficial interest in assets held at the YouthBridge Community Foundation is not redeemable by the Center as described in note 5.

Financial instruments classified as Level 3 in the fair value hierarchy represent the Center's investments in financial instruments in financial instruments in which management has used at least one significant unobservable input in the valuation model. The following table represents a reconciliation of the activities for the Level 3 financial instruments:

	<u>2024</u>	<u>2023</u>
		\$
Balance at July 1,	\$ 51,084	22,888
Additional amounts investend in fund	25,000	25,000
Increase/(decrease) in estimated value	5,770	3,196
Distributions	<u>-</u>	<u>-</u>
		\$
Balance as of June 30,	<u>\$ 81,854</u> #	<u>51,084</u>

The components of the net return (loss) on investments, including Level 3 investments, as reported in the accompanying consolidated statements of activities are as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Investment Income	\$ -	\$ -
Gains (losses) on beneficial interest in assets held at, YouthBridge Community Foundation, net of investment income	5,770	3,196
Gain (loss) on donated stock	2,171	204
TOTAL INVESTMENT INCOME	<u>\$ 7,941</u>	<u>\$ 3,400</u>

8. **IN-KIND DONATION**

Donated materials, equipment and facilities are recorded as support income at their estimated fair market values at the time they are received. Such donations are reported as unrestricted support unless the donor has restricted these donations to a specific purpose. None of the donated items or services were restricted.

The Center lease space in Hannibal, Missouri, at rent below market rate. This space is used for program services. The Center also rents two separate locations in Wentzville, Missouri, for below market rate in exchange for tax credits. The space is used for both program and supporting services and is allocated based on salaries. For the years ended June 30, 2024 and 2023, the Center received in-kind rent valued at \$126,555 and \$156,942, respectively. The donated rent is valued at the fair value of similar properties available in commercial real estate listings. On October 12, 2023 the Center purchased one of the Wentzville locations, terminating the lease. The purchase included a donation amount of \$1,068,900. In addition to the building purchase, the Center leases adjacent land in exchange for tax credits. For the years ended June 30, 2024 and 2023, the Center received in-kind valued at \$45,600 and \$-0-, respectively.

The Center received additional in-kind donations of supplies for use at fundraising events. For the years ended June 30, 2024 and 2023 the Center recognized \$32,000 and \$19,895, respectively. These items are valued at the fair value of similar items available for purchase in local markets.

The Center received various in-kind services which are valued at the fair value of comparable services in the area. In-kind information technology services valued at \$22,470 and \$14,596, for the years ended June 30, 2024 and 2023, respectively. In-kind telephone services valued at \$9,227 and \$9,227, for the years ended June 30, 2024 and 2023, respectively. In-kind professional services valued at \$3,597 and \$3,657, for the years ended June 30, 2024 and 2023. Donated services are used for both program and supporting services and are allocated based on salaries.

The Center received in-kind repair and maintenance services include building management and repairs. These services are valued at the fair value of comparable services in the area. In-kind repair and maintenance valued at \$4,925 and \$-0-, for the years ended June 30, 2024 and 2023, respectively. Donated repair and maintenance are used for both program and supporting services and are allocated based on salaries.

9. **COMPENSATION OF ABSENCES**

All full-time regular employees earn paid time off (PTO). PTO is earned each pay period based on years of service. Employees are allowed to carry over up to 360 hours of unused time to the following year. Up to 40 hours of accrued, unused PTO is paid to employees upon separation of employment.

10. OPERATING LEASES

The Center leases office space at various locations in Wentzville, Missouri, under four separate operating leases that expire September 30, 2027, with monthly payments increasing over the lease period. A portion of the rent was received as an in-kind donation valued at \$121,755 and \$152,144 for the years ended June 30, 2024 and 2023. Total rent and common area maintenance costs paid were \$50,570 and \$93,548, for the fiscal years ended June 30, 2024 and 2023, respectively. Two of the leases were terminated October 12, 2023 upon the purchase of the building.

In addition, The Center leases space in Hannibal, Missouri under an agreement expiring August 31, 2028, with monthly payments increasing over the lease period. The Center received an in-kind donation of \$4,800 for each of the years ended June 30, 2024 and 2023. The Center paid rent of \$27,218 and \$24,000 for the years ended June 30, 2024 and 2023, respectively.

The Center implemented ASU 2016-02, *Leases* during the year ended June 30, 2023. As a result, a lease liability and a right-to-use asset was recorded for \$113,902 and \$343,754 for the years ended June 30, 2024 and 2023, respectively. The leases require the Center to make variable payments for its portion of the common area maintenance and other charges. These variable payments are not included in the payments used to determine the lease liability and are recognized as variable costs when incurred. As of June 30, 2024, value of the lease liability was \$148,749. The value of the right-to-use asset at June 30, 2024 is \$145,826. The future payments for the years ended June 30, are as follows:

	Future Minimum Lease Payments
2025	\$ 41,817
2026	43,943
2027	44,862
2028	32,454
2029	4,700
Total payment	167,775
Imputed interest	(19,027)
Lease liability	<u>\$ 148,749</u>

11. LINE OF CREDIT

The Center established a \$150,000 line-of-credit at Bank of Old Monroe bearing an interest rate of 4.875% on February 28, 2022. The line-of-credit is secured by a Commercial Security Agreement and matured on February 25, 2023. This line-of-credit was renewed at an interest rate of 7% and matures February 25, 2025. There were no borrowings or balances due during the years ended June 30, 2024 and 2023.

12. **NOTES PAYABLE**

The Center, entered into a promissory note for the purchase of a building in Wentzville during the year ended June 30, 2024 in the amount of \$861,100. Principal payments are deferred until maturity date, however, the Center made a principal payment of \$61,100 during the year. Total interest expense during the year ended June 30, 2024 was \$41,727.

Notes payable consist of the following:

	<u>2024</u>	<u>2023</u>
Bank of Old Monroe - promissory note	\$ 800,000	\$ -
Collateral - deed of trust and assignment of rents		
Date of note - October 25, 2023		
Interest rate - 7.5%		
Maturity - September 17, 2026		
Payments - interest only monthly, balance due at maturity		

The outstanding balance on the loan of \$800,000 is due during the fiscal year ending June 30, 2027.

13. **INCOME TAX**

FASB ASC Topic 740, Income Taxes, provides for the recognition of tax benefits related to uncertain tax positions. For the years ended June 30, 2024 and 2023, management believes there are no material uncertain tax positions. The Center files form 990 Return of Organization Exempt From Income Tax. Returns prior to 2019 are closed.

14. **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or future periods, as of June 30:

	<u>2024</u>	<u>2023</u>
Subject to the passage of time:		
Future operations	\$ 8,332	\$ 8,332
Permanently restricted:		
Endowment - YouthBridge Community Foundation	75,000	50,000
TOTAL	<u>\$ 83,332</u>	<u>\$ 58,332</u>

15. **COMMITMENTS AND CONTINGENCIES**

The Center receives a substantial amount of its support from federal, state and local governments and agencies. A significant reduction in the level of this support, if this were to occur, may have a negative effect on the Center's programs and activities. Although this is a possibility, management deems this possibility remote.

15. **COMMITMENTS AND CONTINGENCIES** - continued

From time to time, the Center is a party to claims and legal actions arising in the ordinary course of its operations. Although the outcome of such matters cannot be forecast with certainty, in the opinion of management, all such matters are adequately covered by insurance, or if not covered, are without merit or involve amounts such that an unfavorable disposition would not have a material effect on the financial statements of the Center.

16. **RETIREMENT PLAN**

Effective April 1, 2013, the Center established The Child Center Simple IRA plan (the Plan), for all employees of the Center. The Center contributes an amount equal to 2% of the employee's compensation. The Center made contributions of \$38,449 and \$36,587 to the Plan for the fiscal year-ended June 30, 2024 and 2023, respectively.

17. **RECLASSIFICATIONS**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

18. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.