

Child Protection Center, Inc.

Financial Statements,
Supplemental Information,
Contract Compliance and
Independent Auditor's Report
June 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplemental Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2024, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Kukuing Barbunio & Co.

Sarasota, Florida
October 23, 2024

Child Protection Center, Inc.

Statements of Financial Position

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 3,826,920	\$ 2,913,419
Grant and contract receivables	324,769	259,945
Prepaid expenses and other current assets	<u>67,078</u>	<u>22,604</u>
Total current assets	4,218,767	3,195,968
Promises to give, net	55,847	54,770
Property and equipment, net	5,739,817	5,554,423
Investments	1,571,486	1,701,226
Deposits	<u>1,629</u>	<u>3,298</u>
Total Assets	\$ <u><u>11,587,546</u></u>	\$ <u><u>10,509,685</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 4,860	\$ 26,500
Accrued expenses	74,734	57,976
Current portion of note payable	<u>59,799</u>	<u>57,705</u>
Total current liabilities	139,393	142,181
Note payable, net of current portion	<u>477,019</u>	<u>680,313</u>
Total Liabilities	<u>616,412</u>	<u>822,494</u>
Net Assets:		
Without donor restrictions	9,036,040	8,180,933
Without donor restrictions - board-designated endowment	<u>1,283,572</u>	<u>1,125,706</u>
Total net assets without donor restrictions	<u>10,319,612</u>	<u>9,306,639</u>
With donor restrictions	<u>651,522</u>	<u>380,552</u>
Total Net Assets	<u>10,971,134</u>	<u>9,687,191</u>
Total Liabilities and Net Assets	\$ <u><u>11,587,546</u></u>	\$ <u><u>10,509,685</u></u>

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statement of Activities

Year Ended June 30, 2024

(With Summarized Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Revenues and support:				
Federal and state contracts	\$ 1,333,272	\$ -	\$ 1,333,272	\$ 1,163,058
County government grants	453,891	-	453,891	229,247
United Way	8,901	-	8,901	17,068
Foundations and private grants	246,948	497,827	744,775	544,436
Contributions	1,247,288	125,000	1,372,288	1,314,819
Contributions - in-kind	-	-	-	5,800
Investment return, net	156,670	-	156,670	123,981
Special events, net of special event expenses of \$133,826	548,024	-	548,024	472,159
Other income	30,048	-	30,048	49,390
Interest income	81,897	-	81,897	16,003
Client fees	25,754	-	25,754	28,500
Net assets released from restriction	351,857	(351,857)	-	-
Total revenues and support	4,484,550	270,970	4,755,520	3,964,461
Expenses:				
Program services:				
Intervention	1,359,036	-	1,359,036	1,280,088
Prevention and education	447,468	-	447,468	372,046
Treatment	1,037,658	-	1,037,658	979,164
Total program services	2,844,162	-	2,844,162	2,631,298
Supporting services:				
Management and general	247,257	-	247,257	160,386
Fundraising	380,158	-	380,158	358,419
Total supporting services	627,415	-	627,415	518,805
Total expenses	3,471,577	-	3,471,577	3,150,103
Change in net assets	1,012,973	270,970	1,283,943	814,358
Net assets, beginning of year	9,306,639	380,552	9,687,191	8,872,833
Net assets, end of year	\$ 10,319,612	\$ 651,522	\$ 10,971,134	\$ 9,687,191

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statement of Activities
Year Ended June 30, 2023
(With Summarized Totals for 2024)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2024 Total</u>
Revenues and support:				
Federal and state contracts	\$ 1,163,058	\$ -	\$ 1,163,058	\$ 1,333,272
County government grants	229,247	-	229,247	453,891
United Way	17,068	-	17,068	8,901
Foundations and private grants	226,016	318,420	544,436	744,775
Contributions	1,260,049	54,770	1,314,819	1,372,288
Contributions - in-kind	5,800	-	5,800	-
Investment return, net	123,981	-	123,981	156,670
Special events, net of special event expenses of \$134,031	472,159	-	472,159	548,024
Other income	49,390	-	49,390	30,048
Interest income	16,003	-	16,003	81,897
Client fees	28,500	-	28,500	25,754
Net assets released from restriction	208,278	(208,278)	-	-
Total revenues and support	<u>3,799,549</u>	<u>164,912</u>	<u>3,964,461</u>	<u>4,755,520</u>
Expenses:				
Program services:				
Intervention	1,280,088	-	1,280,088	1,359,036
Prevention and education	372,046	-	372,046	447,468
Treatment	979,164	-	979,164	1,037,658
Total program services	<u>2,631,298</u>	<u>-</u>	<u>2,631,298</u>	<u>2,844,162</u>
Supporting services:				
Management and general	160,386	-	160,386	247,257
Fundraising	358,419	-	358,419	380,158
Total supporting services	<u>518,805</u>	<u>-</u>	<u>518,805</u>	<u>627,415</u>
Total expenses	<u>3,150,103</u>	<u>-</u>	<u>3,150,103</u>	<u>3,471,577</u>
Change in net assets	649,446	164,912	814,358	1,283,943
Net assets, beginning of year	8,657,193	215,640	8,872,833	9,687,191
Net assets, end of year	<u>\$ 9,306,639</u>	<u>\$ 380,552</u>	<u>\$ 9,687,191</u>	<u>\$ 10,971,134</u>

See accompanying notes to financial statements.

Child Protection Center, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024
(With Summarized Totals for 2023)

	<u>Program Services</u>			<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2024 Total</u>	<u>2023 Total</u>
	<u>Intervention</u>	<u>Prevention and Education</u>	<u>Treatment</u>					
Personnel and contractual:								
Program directors/coordinator	\$ 521,752	224,721	84,372	\$ 830,845	\$ -	58,103	\$ 888,948	\$ 711,066
Administrative/clerical	130,630	31,751	150,846	313,227	44,955	213,643	571,825	537,079
Medical/psychological/therapist	129,835	-	348,586	478,421	-	-	478,421	445,019
Accountant	91,991	31,780	84,131	207,902	28,037	3,877	239,816	174,326
Fringe benefits and payroll taxes	174,386	73,623	144,881	392,890	15,525	57,311	465,726	401,532
Total personnel and contractual	<u>1,048,594</u>	<u>361,875</u>	<u>812,816</u>	<u>2,223,285</u>	<u>88,517</u>	<u>332,934</u>	<u>2,644,736</u>	<u>2,269,022</u>
Other expenses:								
Audit	10,480	3,930	9,170	23,580	2,676	-	26,256	24,300
Bank and credit card fees	433	-	-	433	1,045	33	1,511	3,203
Payroll related expenses	13,831	5,186	12,102	31,119	3,458	-	34,577	32,677
Equipment rental and maintenance	14,889	4,090	11,501	30,480	2,860	69	33,409	76,781
Advertising and promotion	1,839	782	1,435	4,056	15,367	22,224	41,647	50,830
Travel and conferences	20,585	7,168	11,547	39,300	8,348	2,229	49,877	36,449
Occupancy	7,176	-	3,000	10,176	7,798	-	17,974	26,710
Telephone	7,741	2,537	6,712	16,990	1,985	1,050	20,025	19,403
Supplies, office and postage	11,018	4,650	8,872	24,540	8,042	1,476	34,058	47,826
Printing and materials	11,371	5,743	3,544	20,658	17,723	7,043	45,424	55,094
Insurance	22,626	5,717	17,856	46,199	5,144	225	51,568	43,259
Meals and entertainment	1,888	1,966	938	4,792	904	228	5,924	3,348
Information technology	22,747	8,477	23,260	54,484	5,651	225	60,360	-
Dues and subscriptions	1,324	629	1,466	3,419	9,227	440	13,086	10,880
Miscellaneous	2,539	120	560	3,219	2,375	2,921	8,515	8,284
Depreciation	58,016	14,504	50,764	123,284	21,756	-	145,040	140,584
Building expense	60,170	7,777	32,488	100,435	5,783	10	106,228	185,427
Professional fees	26,766	12,317	21,548	60,631	38,113	9,051	107,795	84,709
Bad debt expense	-	-	-	-	-	-	-	2,000
Interest expense	15,003	-	8,079	23,082	485	-	23,567	29,317
Total other expenses	<u>310,442</u>	<u>85,593</u>	<u>224,842</u>	<u>620,877</u>	<u>158,740</u>	<u>47,224</u>	<u>826,841</u>	<u>881,081</u>
Total functional expenses	<u>\$ 1,359,036</u>	<u>\$ 447,468</u>	<u>\$ 1,037,658</u>	<u>\$ 2,844,162</u>	<u>\$ 247,257</u>	<u>\$ 380,158</u>	<u>\$ 3,471,577</u>	<u>\$ 3,150,103</u>

See accompanying notes to financial statements.

Child Protection Center, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023
(With Summarized Totals For 2024)

	<u>Program Services</u>			<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2023 Total</u>	<u>2024 Total</u>
	<u>Intervention</u>	<u>Prevention and Education</u>	<u>Treatment</u>					
Personnel and contractual:								
Program directors/coordinator	\$ 436,979	\$ 185,447	\$ 70,982	\$ 693,408	\$ -	\$ 17,658	\$ 711,066	\$ 888,948
Administrative/clerical	126,816	28,749	139,380	294,945	35,307	206,827	537,079	571,825
Medical/psychological/therapist	127,682	-	317,337	445,019	-	-	445,019	478,421
Accountant	66,530	22,621	62,942	152,093	19,032	3,201	174,326	239,816
Fringe benefits and payroll taxes	157,049	58,227	125,126	340,402	11,730	49,400	401,532	465,726
Total personnel and contractual	<u>915,056</u>	<u>295,044</u>	<u>715,767</u>	<u>1,925,867</u>	<u>66,069</u>	<u>277,086</u>	<u>2,269,022</u>	<u>2,644,736</u>
Other expenses:								
Audit	9,720	3,645	8,505	21,870	2,430	-	24,300	26,256
Bank and credit card fees	481	-	36	517	2,686	-	3,203	1,511
Payroll related expenses	13,071	4,902	11,437	29,410	3,267	-	32,677	34,577
Equipment rental and maintenance	34,289	9,503	26,025	69,817	6,919	45	76,781	33,409
Advertising and promotion	4,376	250	902	5,528	2,481	42,821	50,830	41,647
Travel and conferences	18,404	4,667	9,571	32,642	247	3,560	36,449	49,877
Occupancy	12,148	-	8,146	20,294	6,416	-	26,710	17,974
Telephone	7,652	2,404	7,002	17,058	1,566	779	19,403	20,025
Supplies, office and postage	26,489	2,251	13,905	42,645	2,395	2,786	47,826	34,058
Printing and materials	12,593	8,845	19,161	40,599	1,863	12,632	55,094	45,424
Insurance	19,404	5,161	14,951	39,516	3,663	80	43,259	51,568
Meals and entertainment	983	473	683	2,139	868	341	3,348	5,924
Information technology	-	-	-	-	-	-	-	60,360
Dues and subscriptions	1,639	400	2,126	4,165	759	5,956	10,880	13,086
Miscellaneous	389	39	133	561	4,578	3,145	8,284	8,515
Depreciation	56,234	14,058	49,204	119,496	21,088	-	140,584	145,040
Building expense	103,234	9,723	56,047	169,004	16,418	5	185,427	106,228
Professional fees	25,527	10,681	26,122	62,330	13,196	9,183	84,709	107,795
Bad debt expense	-	-	-	-	2,000	-	2,000	-
Interest expense	18,399	-	9,441	27,840	1,477	-	29,317	23,567
Total other expenses	<u>365,032</u>	<u>77,002</u>	<u>263,397</u>	<u>705,431</u>	<u>94,317</u>	<u>81,333</u>	<u>881,081</u>	<u>826,841</u>
Total functional expenses	<u>\$ 1,280,088</u>	<u>\$ 372,046</u>	<u>\$ 979,164</u>	<u>\$ 2,631,298</u>	<u>\$ 160,386</u>	<u>\$ 358,419</u>	<u>\$ 3,150,103</u>	<u>\$ 3,471,577</u>

See accompanying notes to financial statements.

Child Protection Center, Inc.

Statements of Cash Flows Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,283,943	\$ 814,358
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	145,040	140,584
Realized and unrealized gain on investments, net	(135,106)	(95,047)
Change in operating assets:		
Grant and contract receivables	(64,824)	61,967
Promises to give	(1,077)	(54,770)
Prepaid expenses and other current assets	(44,474)	(17,934)
Deposits	1,669	2,986
Change in operating liabilities:		
Accounts payable	(21,640)	(18,627)
Accrued expenses	16,758	(10,241)
Net cash provided by operating activities	<u>1,180,289</u>	<u>823,276</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(330,434)	(309,385)
Purchases of investments	(1,907,889)	(1,362,649)
Proceeds from sales of investments	2,172,735	735,299
Net cash used in investing activities	<u>(65,588)</u>	<u>(936,735)</u>
Cash Flows from Financing Activities:		
Payments on note payable	(201,200)	(50,727)
Net cash used in financing activities	<u>(201,200)</u>	<u>(50,727)</u>
Net change in cash and cash equivalents	913,501	(164,186)
Cash and cash equivalents, beginning of year	<u>2,913,419</u>	<u>3,077,605</u>
Cash and cash equivalents, end of year	<u>\$ 3,826,920</u>	<u>\$ 2,913,419</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 24,304</u>	<u>\$ 29,476</u>

See accompanying notes to financial statements.

Child Protection Center, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

I. Organization

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

2. Summary of Significant Accounting Policies

Financial Statements

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

Use of Estimates and Assumptions

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

Basis of Presentation

A not-for-profit organization is required to report information regarding its financial position and activities according to two classes of net assets: 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.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (Continued)

Grant and Contracts Receivable

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

Promises to Give

The Center records unconditional promises when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. Management evaluates receivables regularly and establishes reserves for pledges receivable based on past history and estimated collectability. The allowance for doubtful accounts was \$2,000 as of June 30, 2024 and 2023.

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:

	<u>Years</u>
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, 2024 and 2023.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2024 and 2023

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. The Center received \$0 and \$5,800 in contributed non-financial services for the year ended June 30, 2024 and June 30, 2023, respectively. There are no donor-imposed restrictions on the Center's contributed nonfinancial assets as of the year ended June 30, 2024 and 2023.

Donations of materials are recorded as support at the estimated fair market value at the date of donation. A number of full and part-time volunteers have made contributions of their time to maintain the Center's programs. The estimated value of this contributed time is not reflected in these financial statements since these services do not meet recognition requirements under U.S. GAAP.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2024 and 2023

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, 2024 and 2023.

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, 2021 through June 30, 2024.

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.

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported change in net assets.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2024 and 2023

3. Liquidity and Availability

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,826,920	\$ 2,913,419
Grant and contract receivables	324,769	259,945
Investments	1,571,486	1,701,226
Total financial assets	<u>5,723,175</u>	<u>4,874,590</u>
Less: Amounts unavailable to be used within one year:		
Net assets with donor restrictions to be met in less than a year	(651,522)	(380,552)
Board-designated endowment	<u>(1,283,572)</u>	<u>(1,125,706)</u>
	<u>(1,935,094)</u>	<u>(1,506,258)</u>
Financial assets available to meet general expenditures within one year	\$ <u>3,788,081</u>	\$ <u>3,368,332</u>

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

The board-designated endowment fund was established by the Board to provide future support to the Center by providing regular, predictable operating income that will help fill gaps caused by increasing costs, demands and the possibility of diminishing government support and fluctuating donation and grant revenue. Management expects the principal to be preserved; however, as of June 30, 2024 and 2023, the Center has approximately \$1,283,572 and \$1,125,706, 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:

	<u>Market Value</u>	
	<u>2024</u>	<u>2023</u>
Cash equivalents	\$ 20,977	\$ 54,560
Fixed income funds	364,437	238,272
Equities	876,072	757,271
Certificates of deposit	310,000	-
Alternative investments	-	53,713
U.S. treasury notes	-	597,410
	<u>\$ 1,571,486</u>	<u>\$ 1,701,226</u>

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

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 27,892	\$ 34,227
Realized and unrealized gain	135,106	95,047
Investment fees	<u>(6,328)</u>	<u>(5,293)</u>
Investment return, net	<u>\$ 156,670</u>	<u>\$ 123,981</u>

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2024 and 2023

5. Promises to Give, Net

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

	2023	2022
Promises to give	\$ 60,000	\$ 60,000
Less: discount to net present value at a rate of 3.23%	(2,153)	(3,230)
Less: allowance	(2,000)	(2,000)
Promises to give, net	55,847	54,770
Less: current portion	-	-
Amount collectible in 1-5 years	\$ 55,847	\$ 54,770

6. Property and Equipment

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

	2024	2023
Land	\$ 2,921,197	\$ 2,921,197
Building and improvements	3,431,700	3,353,258
Equipment	128,676	128,676
Furniture	4,657	4,352
Playground equipment	241,260	178,909
Construction in process	90,134	-
	6,817,624	6,586,392
Less: accumulated depreciation	(1,077,807)	(1,031,969)
	\$ 5,739,817	\$ 5,554,423

Depreciation expense for the years ended June 30, 2024 and 2023, totaled \$145,040 and \$140,584, 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.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023:

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

Description	June 30, 2023	Level 1	Level 2	Level 3
Assets at Fair Value:				
Investments:				
Cash equivalents	\$ 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	<u>\$ 1,701,226</u>	<u>\$ 1,103,816</u>	<u>\$ 597,410</u>	<u>\$ -</u>

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2024 and 2023

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, 2024 and 2023 is \$536,818 and \$738,018, respectively.

Future payments of principal on the mortgage as of June 30, 2024 are as follows:

2025	\$	59,799
2026		61,970
2027		64,218
2028		66,549
2029		68,963
Thereafter		215,319
	\$	<u>536,818</u>

9. Net Assets With Donor Restrictions

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

Subject to expenditure for specified purpose:	<u>2024</u>	<u>2023</u>
Supervised Visitation Program	\$ 23,682	\$ -
Personal Safety and Community Awareness	38,813	8,500
Sexual Abuse Treatment Program	41,212	77,401
Child Protection Team Program	-	54,921
Child Protection Center Programs	394,121	184,960
Capital Campaign	153,694	54,770
Total purpose restrictions	\$ <u>651,522</u>	\$ <u>380,552</u>

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:	<u>2024</u>	<u>2023</u>
Supervised Visitation Program	\$ -	\$ 6,270
Personal Safety and Community Awareness	8,500	11,000
Sexual Abuse Treatment Program	77,401	30,599
Child Protection Team Program	54,920	54,429
Child Protection Center Programs	184,960	105,980
Capital Campaign	26,076	-
Total net assets released from restrictions	\$ <u>351,857</u>	\$ <u>208,278</u>

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2024 and 2023

II. 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, 2024 and 2023.

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.

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, 2024 and 2023, the Center did not appropriate any earnings from endowment funds to current year operations.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2024 and 2023

II. Endowment Funds (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy (Continued)

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, 2024:

	Without Donor Restrictions
Donor restricted endowment funds	\$ -
Board-designated endowment funds	1,283,572
	\$ 1,283,572

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

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

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

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2024 and 2023

11. Endowment Funds (Continued)

Endowment Net Asset Composition (Continued)

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	\$	<u>1,125,706</u>

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, 2024 and 2023, the Center made contributions to the plan totaling \$113,537 and \$95,075, 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, 2024 and 2023, were \$17,974 and \$26,710, 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.

Child Protection Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2024 and 2023

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 grants from federal, state and county agencies that comprise approximately 40% and 31% of the total revenues for the years ended June 30, 2024 and 2023, respectively.

The Center also received 10% of total revenues from an individual donor for the year ended June 30, 2024.

17. Subsequent Events

The Center has evaluated all events subsequent to the statement of financial position date of June 30, 2024, through the date these financial statements were available for issuance, October 23, 2024, and has determined there are no subsequent events that require disclosure under the FASB Accounting Standards Codification.

Supplemental Information

Child Protection Center, Inc.

Schedule of Expenditures of State Financial Assistance

Year Ended June 30, 2024

<u>State Agency / Program Title</u>	<u>CSFA Number</u>	<u>Contract Number</u>	<u>State Expenditures</u>
State of Florida Department of Health			
Medical Services for Abused and Neglected Children	64.006	CPI8A, CPISA	\$ <u>657,707</u>
State of Florida Department of Legal Affairs and Attorney General			
Florida Network of Children's Advocacy Centers	41.031	23/24-GR CAC22	<u>137,555</u>
State of Florida Department of Children and Families			
Florida Network of Children's Advocacy Centers	60.124	23-24-DCF-CAC22	<u>8,365</u>
State of Florida Department of Highway Safety and Motor Vehicles			
Child Abuse Prevention and Intervention License Plate Project	76.067	23-24LPVC-CAC-22	2,363
Florida Network of Children's Advocacy Center Voluntary Contribution	76.123	23-24LPVC-CAC-22	<u>626</u>
Total State of Florida Department of Highway Safety and Moter Vehciles			<u>2,989</u>
Total Expenditures of State Financial Assistance			\$ <u><u>806,616</u></u>

See Independent Auditors' Report.

Child Protection Center, Inc.

Notes to Schedule of Expenditures of State Financial Assistance

June 30, 2024

Note 1 - Basis of Presentation

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

Note 2 - Contingencies

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

Contract Compliance

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Child Protection Center, Inc. (the Center), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 23, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Kukuing Barbunio & Co.

Sarasota, Florida
October 23, 2024

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

Independent Auditor's Report

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

Report on Compliance for Each Major State Financial Assistance Project

Opinion on Each Major State Financial Assistance Project

We have audited Child Protection Center, Inc.'s (the Center) compliance with the types of compliance requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on the Center's major state financial assistance projects for the year ended June 30, 2024. The Center's major state financial assistance projects are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state financial assistance projects for the year ended June 30, 2024.

Basis for Opinion on Each Major State Financial Assistance Project

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

We are required to be independent of the Center and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state financial assistance project. Our audit does not provide legal determination of the Center's compliance with the compliance requirements to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (Continued)

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

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

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

Kukuing Barbunio & Co.

Sarasota, Florida
October 23, 2024

Child Protection Center, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

_____ yes ___x___ no

State Projects:

Internal control over major state programs:

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

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

Unmodified

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

_____ yes ___x___ no

Child Protection Center, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

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

State Programs Tested as Major Programs:

<u>CSFA Number</u>	<u>Name of State Program or Cluster</u>
64.006	Medical Services for Abused and Neglected Children

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

Section II - Financial Statement Findings

None

Section III - State Project Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

None

Section V - Other

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