Child Safe of Central Missouri, Inc.

Financial Statements
and
Independent Auditor's Report

For the Fiscal Year Ended June 30, 2023

Child Safe of Central Missouri, Inc.

For the Fiscal Year Ended June 30, 2023

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To the Board of Directors of
Child Safe of Central Missouri, Inc.
Sedalia, Missouri

We have audited the accompanying financial statements of Child Safe of Central Missouri, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of the fiscal years ended June 30, 2023 and 2022, and the related statements of revenues, expenses and changes in net assets – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis for the fiscal 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 assets, liabilities, and net assets of Child Safe of Central Missouri, Inc. as of the fiscal years ended June 30, 2023 and 2022, and its revenues, expenses and changes in net assets for the fiscal years then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audits 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 Child Safe of Central 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United State of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 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 are considered material if there is a substantial likelihood that, individually or in 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 Child Safe of Central 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 Child Safe of Central Missouri, Inc.'s ability to continue as a going concern for a reasonable period of time.

Known Departure from the Modified Cash Basis of Accounting

As disclosed in Note 1, the Organization's financial statements are subject to a departure from the modified cash basis of accounting. The modified cash basis of accounting values assets, such as investments, at historical acquisition cost, whereas the investments of the Organization are reported at fair market value. Management believes that fair market value provides for a more accurate depiction of financial position and the effects are set forth within the accompanying financial statements.

We are required to communicate with those changed 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.

Hood and Associates CPAs, P.C.

Tulsa, Oklahoma
May 21, 2024

Child Safe of Central Missouri, Inc.
Statements of Assets, Liabilities, and Net Assets -
Modified Cash Basis
As of Fiscal Year End June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 206,555	$ 167,705
Total current assets	206,555	167,705
Investments, at fair value	277,080	249,272
Property and equipment, net of accumulated depreciation	96,654	84,146
Total long-term assets	373,734	333,418
Total assets	$ 580,289	$ 501,123
Liabilities and Net Assets		
Current liabilities		
Accrued payroll taxes	$ 361	$ 9,411
Credit card liabilities	7,529	8,946
Total current liabilities	7,890	18,357
Total liabilities	7,890	18,357
Net assets		
Without donor restrictions		
Undesignated	572,399	482,766
Total net assets	572,399	482,766
Total liabilities and net assets	$ 580,289	$ 501,123

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

Child Safe of Central Missouri, Inc.
Statements of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis
For the Fiscal Years Ended June 30, 2023 and 2022

Changes in Net Assets Without Donor Restrictions	2023	2022
Revenues, Gains and Other Support		
Grants	$ 767,232	$ 748,523
Contributions	57,234	76,271
Donated services	30,336	10,525
Special events	80,932	17,931
Investment income (loss), net of expenses	27,808	(23,969)
Miscellaneous	1,111	4,576
Total revenues gains without donor restrictions	964,653	833,857
Expenses		
Program services	683,349	618,127
Total program services	683,349	618,127
Supporting services		
General and administrative	182,108	169,785
Fundraising	9,563	5,798
Total supporting services	191,671	175,583
Total expenses	875,020	793,710
Changes in net assets without donor restrictions	89,633	40,147
Net assets, beginning of year	482,766	442,619
Net assets, end of year	$ 572,399	$ 482,766

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

Child Safe of Central Missouri, Inc.
Statements of Cash Flows – Modified Cash Basis
As of Fiscal Year End June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	$ 89,632	$ 40,147
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	12,114	9,705
Unrealized (gain) loss on investments	(27,808)	24,236
Increase (decrease) in operating liabilities:		
Accrued payroll taxes	(1,417)	6,152
Credit card liabilities	(9,049)	8,946
Net cash provided by operating activities	63,472	89,186
Cash Flows From Investing Activities		
Purchase of fixed assets	(24,622)	(35,835)
Purchase of investments	-	(122,200)
Net cash provided by (used in) investing activities	(24,622)	(158,035)
Net increase in cash and cash equivalents	38,850	(68,849)
Cash, beginning of year	167,705	236,554
Cash, end of year	$ 206,555	$ 167,705

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

Child Safe of Central Missouri, Inc.
Statement of Functional Expenses – Modified Cash Basis
For the Fiscal Year Ended June 30, 2023

		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Salaries and wages	$ 350,155	$ 116,718	$ -	$ 466,873
Benefits	50,544	16,848	-	67,392
Supplies - progam	30,336	-	-	30,336
Payroll taxes	27,953	9,317	-	37,270
Supplies - operations	52,488	-	-	52,488
Occupancy	89,358	29,784	-	119,142
Insurance	16,103	-	-	16,103
Travel and training	21,880	-	-	21,880
Special events	-	-	9,563	9,563
Depreciation	9,086	3,028	-	12,114
Professional services	14,354	-	-	14,354
Office	7,849	7,849	-	15,698
Repairs and maintenance	7,942	-	-	7,942
Dues and subscriptions	3,558	-	-	3,558
Miscellaneous	-	307	-	307
	$ 681,606	$ 183,851	$ 9,563	$ 875,020

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

Child Safe of Central Missouri, Inc.
Statement of Functional Expenses – Modified Cash Basis
For the Fiscal Year Ended June 30, 2022

		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Salaries and wages	$ 317,435	$ 105,811	$ -	$ 423,246
Benefits	59,627	19,876	-	79,503
Supplies - progam	10,639	-	-	10,639
Payroll taxes	25,663	8,554	-	34,217
Supplies - operations	64,309	-	-	64,309
Occupancy	59,941	19,992	-	79,933
Insurance	19,698	-	-	19,698
Travel and training	9,158	-	-	9,158
Special events	-	-	5,798	5,798
Depreciation	7,279	2,426	-	9,705
Professional services	21,731	-	-	21,731
Office	12,181	12,180	-	24,361
Repairs and maintenance	8,305	-	-	8,305
Dues and subscriptions	2,161	-	-	2,161
Miscellaneous	-	946	-	946
	$ 618,127	$ 169,785	$ 5,798	$ 793,710

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

Note 1 Summary of Significant Accounting Policies

Operations and Activities

Child Safe of Central Missouri, Inc. (the Organization) is a not-for-profit organization that was incorporated in June 1998 and began providing services in September 2000 covering an eleven-county area in mid Missouri. The Organization provides forensic interviews, advocacy services and resource referrals to victims of child sexual and physical abuse as part of a multidisciplinary approach to the investigation, prosecution, and treatment of child abuse. Child Safe of Central Missouri, Inc. operates from a facility located in Sedalia, Missouri, and is dependent upon private and corporate contributions, fundraising activities, grants, and state revenues through the Department of Social Services under Chapter 210 Section 210.001 of the Missouri Revised Statutes.

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable state statutes.

Basis of Accounting

The financial statements of the Organization have been prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles in the United State of America. This basis of presentation differs from accounting principles generally accepted in the United States of America (GAAP) in that certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Purchases of fixed assets are capitalized and depreciated. Accrued payroll tax and credit card liabilities are recorded. Investments are presented at fair value.

Basis of Presentation

The financial statement presentation is in accordance with the recommendations of the FASB Accounting Standards Codification (ASC) 958, *Not-for-profit Entities.* Under ASC 958, the Organization is required to report net assets, revenues, gains, losses, and expenses based on the existence or absence of donor-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 restrictions. The category also includes an amount for the Organization's investment in property and equipment. This amount represents the historical cost of the Organization's property and equipment, net of accumulated depreciation.

> *Net Assets With Donor Restrictions* – Net assets subject to donor-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. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenues, expenses, and changes in net assets – modified cash basis as net assets released from restriction. The Organization had no net assets with donor restrictions at fiscal year end June 30, 2023 and 2022.

Note 1 Summary of Significant Accounting Policies - Continued

Fair Value of Financial Instruments

The Organization's financial statements include cash, investments, and accrued expenses. The carrying amount of cash and accrued expenses approximate fair value because of the short maturity of those items.

Investments include marketable securities consisting of equities and mutual funds reported at fair value, with unrealized and realized gains and losses on investments reported as an increase or decrease in net assets without donor restrictions. Interest and dividends are recognized when received.

Reporting investments at fair value is a departure from the modified cash basis of accounting. The modified cash basis requires that investments be valued at historical acquisition cost. However, the Organization believes that fair market value provides a more accurate depiction of the financial position of the investments as reported in accompanying the financial statements.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Purchased property and equipment are stated at cost. Cost of normal maintenance and repairs are expensed when incurred. Additions and improvements that significantly extend the useful life of an assets are capitalized and depreciated over the remaining useful life of the related asset. Donated property and equipment are recorded at estimated fair value on the date of donation. Property and equipment are depreciated on its estimated useful life using straight-line or double-declining balance methods over a period of 5 to 40 years. Depreciation expense for the fiscal years ended June 30, 2023 and 2022 was $12,114 and $9,705, respectively.

Donated Services

Donated services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

Volunteers

Many individuals volunteer their time and perform a variety of tasks and assist the Organization with its operations. The value of the volunteer services has not been recorded in the financial statements since those services do not meet the criteria for recognition.

Compensated Absences

Employees of the Organization are entitled to paid vacation, personal business days and sick leave. No amount has been included in the financial statements to reflect this liability, as the financial statements are presented on the modified cash basis of accounting.

Note 1 Summary of Significant Accounting Policies - Continued

Restricted Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenue, expenses, and changes in net assets – modified cash basis, as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Concentration of Credit Risk

The Organization maintains its cash in a demand account at one financial institution which is covered by FDIC insurance. The cash balance was fully collateralized at fiscal years end June 30, 2023 and 2022. Management does not believe it is exposed to significant credit risk in its cash demand account.

Income Taxes

The Organization is organized as a not-for-profit corporation and qualifies as tax exempt under IRC Section 501(c)(3), and is classified as a publicly supported organization, which is not a private foundation, within the meaning of IRC Section 509(a)(1). Accordingly, no provision has been made for income taxes in these financial statements. Income, however, from certain activities not directly related to the Organization's tax-exempt purpose, may be subject to taxation as unrelated business income. There was no unrelated business income for the fiscal years ended June 30, 2023 and 2022.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. If these assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying value of the asset exceeds the fair value. There are no impairments of long-lived assets for the fiscal years ended June 30, 2023 and 2022.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on the functional basis in the accompanying statements of functional expenses – modified cash basis. Expenses are allocated on a reasonable basis and consistently applied. The expenses that are allocated include salaries and benefits, occupancy, depreciation, amortization, interest, and office. The allocation is based on estimates of space, time, and effort.

Note 1 Summary of Significant Accounting Policies - Continued

Cash and Cash Equivalents

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Note 2 Fair Value of Investments

The Organization has adopted certain valuation approaches from FASB ASC 820-10, "Fair Value Measurements," which provides a framework for measuring fair value under accounting principles generally accepted in the United States. FASB ASC820-10 applies to all financial instruments that are being measured and reported on a fair value basis. As defined in FASB ASC 820-10, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income, and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair value.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has ability to access.

The organization held investments in mutual funds, equities and a money market account that were determined to be Level 1 investments as of the fiscal years ended June 30, 2023 and 2022.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

The organization held no Level 2 investments as of the fiscal years ended June 30, 2023 and 2022.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The organization held no Level 3 investments as of the fiscal years ended June 30, 2023 and 2022.

Note 2 Fair Value of Investments – Continued

The following table present the balances of assets at fair value at fiscal year end June 30, 2023 and 2022:

	Total	Level 1	Level 2	Leve3
June 30, 2023				
Investments				
Money market fund	$ 6,532	$ 6,532	$ -	$ -
Equities	21,725	21,725	-	-
Mutual funds	248,823	248,823	-	-
	$ 277,080	$ 277,080	$ -	$ -

	Total	Level 1	Level 2	Leve3
June 30, 2022				
Investments				
Money market fund	$ 7,972	$ 7,972	$ -	$ -
Equities	15,312	15,312	-	-
Mutual funds	225,988	225,988	-	-
	$ 249,272	$ 249,272	$ -	$ -

Note 3 Property and Equipment

Property and equipment activity for the fiscal year ended June 30, 2023 was as follows:

June 30, 2023	Balance Beginning	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Leasehold improvements	$ 47,372	$ 20,051	$ -	$ 67,423
Furniture, fixtures and equipment	100,604	4,571	-	105,175
Vehicles	25,000	-	-	25,000
Total capital assets being depreciated	172,976	24,622	-	197,598
Less accumulated depreciation for:				
Leasehold improvements	1,269	2,313	-	3,582
Furniture, fixtures and equipment	74,254	6,783	-	81,037
Vehicles	13,307	3,018	-	16,325
Total accumulated depreciation	88,830	$ 12,114	$ -	100,944
Capital assets, net	$ 84,146			$ 96,654

Depreciation expense for the fiscal year ended June 30, 2023 was $12,114.

Note 3 Property and Equipment - Continued

Property and equipment activity for the fiscal year ended June 30, 2022 was as follows:

June 30, 2022	Balance Beginning	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Leasehold improvements	$ 28,932	$ 18,440	$ -	$ 47,372
Furniture, fixtures and equipment	83,209	17,395	-	100,604
Vehicles	25,000	-	-	25,000
Total capital assets being depreciated	137,141	35,835	-	172,976
Less accumulated depreciation for:				
Leasehold improvements	77	1,192	-	1,269
Furniture, fixtures and equipment	68,930	5,324	-	74,254
Vehicles	10,118	3,189	-	13,307
Total accumulated depreciation	79,125	$ 9,705	$ -	88,830
Capital assets, net	$ 58,016			$ 84,146

Depreciation expense for the fiscal year ended June 30, 2022 was $9,705.

Note 4 Employer SIMPLE IRA

Effective November 9, 2015 the Organization adopted, through American Funds, a SIMPLE IRA tax-favored retirement plan for small employers under section 408(p) of the Internal Revenue Code. Contributions under a SIMPLE IRA are made to individual retirement accounts that are established pursuant to the employer's adopted SIMPLE IRA Plan. Employees who are reasonably expected to receive at least $100 in compensation during the plan year are eligible to participate. Participants can make a salary reduction contribution up to a maximum of $15,500 and $14,000 in 2023 and 2022, respectively. Employees aged 50 or over can make catch-up contributions up to $3,500 and $3,000 in 2023 and 2022, respectively. Currently the Organization has elected to match employee's salary reduction contributions on a dollar-for-dollar basis up to 3% of the employee's compensation. During the fiscal years ended June 30, 2023 and 2022 the Organization made matching contributions of $4,303 and $11,331, respectively.

Note 5 Liquidity

The Organization regularly monitors the liquidity required to meet its operating needs and other commitments, while also striving to maximize the amount available for ongoing programs. The Organization's financial assets available for general expenses as of fiscal year end June 30, 2023 are as follows:

	2023
Cash and cash equivalents	$ 206,555
Investments, at fair value	277,080
Financial assets available for general expenses	$ 483,635

Note 5 Liquidity - Continued

In addition to the financial assets available to meet general expenses at fiscal year end June 30, 2023, the Organization relies on contributions, fundraising activities and state and federal funds provided through the Missouri Department of Social Services to meet financial obligations. The Organization regularly monitors operating cash flow and adjusts expenses as need to match unexpected changes in revenues.

Note 6 Operating Lease

Beginning July 1, 2022 the Organization leased office and program space under a long-term lease for a period of 10 years at a rent of $9,200 per month.

Future obligations for the primary terms of the Organization's long-term lease are as follows:

Fiscal year ending June 30	Amount
2024	$ 110,400
2025	110,400
2026	110,400
2027	110,400
2028	110,400
2029- 2032	441,600
Total	$ 993,600

Note 7 Subsequent Events

The Organization has evaluated subsequent events occurring after fiscal year end June 30, 2023, the date of the most recent statement of financial position, through May 21, 2024, the date the financial statements were available to be issued. The Organization does not believe any subsequent events occurred that would require further disclosure or adjustment to the financial statements.