PREVENT CHILD ABUSE NEW YORK, INC.

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

CUSACK & COMPANY
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Prevent Child Abuse New York, Inc.

Opinion

We have audited the accompanying financial statements of Prevent Child Abuse New York, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prevent Child Abuse New York, Inc. 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 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 Prevent Child Abuse New York, Inc. 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 Prevent Child Abuse New York, Inc.'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 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Prevent Child Abuse New York, 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 Prevent Child Abuse New York, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Cusack & Company, CPA's LLC

CUSACK & COMPANY, CPA’S LLC

Latham, New York
February 14, 2025

ASSETS

	2024	2023
Current Assets		
Cash	$ 186,451	$ 90,622
Grants and Accounts Receivable	399,204	649,083
Prepaid Expenses	21,206	18,830
Total Current Assets	606,861	758,535
Security Deposit	-	1,600
Furniture and Equipment, Net	-	653
Total Assets	$ 606,861	$ 760,788

LIABILITIES AND NET ASSETS

	2024	2023
Current Liabilities		
Current Portion of Long-Term Debt	$ 3,761	$ 3,627
Cash Reserve Advance	-	7,168
Accounts Payable	23,368	40,422
Accrued Expenses	99,519	123,164
Deferred Revenue	350	39,915
Total Current Liabilities	126,998	214,296
Long-Term Liabilities		
Long-Term Debt	140,917	145,846
Total Liabilities	267,915	360,142
Net Assets		
Without Donor Restrictions	338,946	400,646
Total Liabilities and Net Assets	$ 606,861	$ 760,788

	2024	**2023**
Revenue and Support		
Grants	$ 1,899,003	$ 1,817,497
Fees	75,250	151,977
Contributions	60,438	72,912
Other Income	4	300
Total Revenue and Support	2,034,695	2,042,686
Expenses		
Program Services	1,843,434	2,003,952
Management and General	237,290	301,289
Fundraising	15,671	37,770
Total Expenses	2,096,395	2,343,011
Change in Net Assets	(61,700)	(300,325)
Net Assets, Beginning of Year	400,646	700,971
Net Assets, End of Year	$ 338,946	$ 400,646

	2024	2023
Cash Flows from Operating Activities		
Change in Net Assets	$ (61,700)	$ (300,325)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities		
Depreciation	653	1,511
Changes in Operating Assets and Liabilities		
(Increase) Decrease in:		
Grants and Accounts Receivable	249,879	(97,487)
Prepaid Expenses	(2,376)	(2,783)
Security Deposit	1,600	-
Increase (Decrease) in:		
Accounts Payable	(17,054)	(5,688)
Cash Reserve Advance	(7,168)	7,168
Accrued Expenses	(23,645)	7,897
Deferred Revenue	(39,565)	26,040
Net Cash Provided By (Used In) Operating Activities	100,624	(363,667)
Cash Flows from Financing Activities		
Payments and Related Accrued Interest on Long-Term Debt, Net	(4,795)	1,756
Change in Cash	95,829	(361,911)
Cash, Beginning of Year	90,622	452,533
Cash, End of Year	$ 186,451	$ 90,622
Supplemental Disclosures of Cash Flow Information		
Cash Paid for Interest	$ 5,362	$ 7,595

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	$ 1,306,137	$ 116,843	$ 5,846	$ 1,428,826
Payroll Taxes and Benefits	356,373	28,679	1,075	386,127
Professional Fees	6,450	12,909	6,900	26,259
Travel	24,248	2,969	-	27,217
Rent and Utilities	45,520	3,657	126	49,303
Office Supplies	18,920	476	235	19,631
Printing and Publishing	5,791	-	-	5,791
Conferences	4,891	1,928	-	6,819
Telephone	55	8,300	-	8,355
Bank Fees	-	366	901	1,267
Postage	657	324	-	981
Dues, Fees and Subscriptions	3,486	9,547	-	13,033
Training and Development	56,089	1,044	-	57,133
Information Technology	11,517	39,963	577	52,057
Insurance	-	4,004	-	4,004
Maintenance and Repairs	3,300	266	11	3,577
Interest Expense	-	5,362	-	5,362
Depreciation	-	653	-	653
Total	$ 1,843,434	$ 237,290	$ 15,671	$ 2,096,395

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	$ 1,312,446	$ 159,721	$ 25,120	$ 1,497,287
Payroll Taxes and Benefits	354,388	29,970	9,016	393,374
Professional Fees	124,234	59,275	-	183,509
Travel	11,570	6,851	-	18,421
Rent and Utilities	51,182	6,517	1,219	58,918
Office Supplies	21,586	1,193	196	22,975
Printing and Publishing	3,143	-	850	3,993
Conferences	51,410	3,705	-	55,115
Telephone	567	7,832	-	8,399
Bank Fees	-	1,574	832	2,406
Postage	487	169	-	656
Dues, Fees and Subscriptions	-	2,549	-	2,549
Training and Development	47,891	3,950	-	51,841
Information Technology	25,048	-	437	25,485
Insurance	-	4,036	-	4,036
Maintenance and Repairs	-	3,300	-	3,300
Interest Expense	-	7,595	-	7,595
Miscellaneous Expense	-	1,541	100	1,641
Depreciation	-	1,511	-	1,511
Total	$ 2,003,952	$ 301,289	$ 37,770	$ 2,343,011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Founded in 1980, Prevent Child Abuse New York, Inc. ("PCANY") is the only not-for-profit agency serving all of New York State whose singular mission is to prevent child abuse in all its forms. The Organization was chartered as the state chapter of Prevent Child Abuse America (PCAA) in 1981. Through a network of affiliated organizations and individuals, it works in communities throughout the State.

PCANY's goals are to:

- Increase understanding of the problem of child abuse and its solutions;
- Provide prevention resources to families, individuals, professionals and organizations;
- Expand a statewide network to prevent child abuse and neglect;
- Advocate for expanded and improved prevention policies and programs, and
- Promote and disseminate effective prevention programs.

PCANY's programs include:

- The Prevention Information Resource Center & Parent Helpline;
- Healthy Families New York (HFNY) Training and Quality Assurance Center;
- Public Education;
- Legislative and Policy Advocacy;
- Home Visiting Coordination Initiative;
- New York State Parenting Education Partnership, and
- Enough Abuse Campaign.

Method of Accounting

The financial statements of PCANY are prepared using the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred. This basis of accounting is in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition

Contributions received and unconditional promises to give are measured at their fair values and reported as an increase in net assets. PCANY reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. 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 statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized in accordance with a five-step model as follows:

- Identify the contract with the customer
- Identify the performance obligation(s) in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation(s) in the contract
- Recognize revenue when earned or as performance obligation(s) are satisfied

Contract Assets

Amounts related to services provided to customers which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract asset balances consist primarily of services provided to customers who are still receiving services at the end of the year. There were no contract assets as of June 30, 2024 and 2023.

Contract Liabilities

Contract liabilities represent revenue that has been deferred for the funds advanced by third party payors for the Organization’s contracts received related to services that have not yet been provided to customers. Contract liabilities consist of payments made by funding and other sources for the Organization’s contracts for services not yet performed that are expected to be performed within the next fiscal year. Contract liabilities totaled $350 and $39,915 as of June 30, 2024 and 2023, respectively.

Grants and Contracts

Revenues from grants are recognized according to the specific agreement. Generally, revenues from grants are recognized in the period the grant award is expended or program milestones are achieved. Grants are subject to audit by the awarding agency. Deferred revenue represents grant funds received in advance of the period in which revenue is earned.

Cash

PCANY maintains its cash in bank and deposit accounts, which, at times may exceed federally insured limits. PCANY has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Accounts Receivable

Accounts receivable primarily include uncollateralized obligations from funding sources and customers under customary credit terms. PCANY records an allowance for uncollectible accounts in anticipation of future write-offs. Management has determined that an allowance for bad debts is not necessary as of June 30, 2024 and 2023.

Receivables are considered impaired if full payments are not received in accordance with the contractual terms. It is PCANY's policy to charge off uncollectible accounts receivable when management determines that receivable will not be collected. All charge-offs require approval by the Board of Directors.

Furniture and Equipment

Expenditures for construction, major renewals and replacements, and furniture and equipment costing over $5,000 are capitalized and recorded at cost less accumulated depreciation calculated under the straight-line method over the estimated useful lives of the assets. Contributed furniture and equipment are reported at their estimated fair market value as of the contribution date.

Some funding sources may require the purchase of equipment with title remaining with the program funding source. It is the policy of PCANY to capitalize these purchases, as they will have these assets for their useful lives. PCANY's experience has been that the funding sources have not reclaimed these assets.

Compensated Absences

Full and part-time employees accrue vacation leave for use once employed. Vacation time is earned and accrued each pay period. Accrued leave was $72,856 and $80,195 for the years ended June 30, 2024 and 2023, respectively, and is included in accrued expenses on the statements of financial position.

Net Assets

Net assets and support and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of PCANY and changes therein are classified and reported as follows:

<u>Net assets without donor restrictions</u> - Net assets that are not subject to donor-imposed stipulations. These resources are available for support of PCANY's operating activities.

<u>Net assets with donor restrictions</u> - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of PCANY and/or the passage of time. When a restriction expires, 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. PCANY did not have any net assets with donor restrictions as of June 30, 2024 and 2023.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs benefitted. Expenses that relate to a particular program or supporting service are directly charged. Indirect costs are allocated based on time- based percentages.

Tax Exempt Status

PCANY is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Contributions are tax deductible. Also, PCANY has been designated a publicly supported organization under Section 170(b)(1)(A)(vi) of the same code. Accordingly, contributions qualify for the maximum allowed deduction under that code.

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Accounting Standards Codification (ASC) requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that PCANY would receive upon selling an asset or pay to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Accounting for Uncertainty in Income Taxes

The ASC requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. PCANY has not recognized any benefits or liabilities from uncertain tax positions in 2024 and believes that they have no uncertain tax positions for which it is reasonably possible that will significantly increase or decrease net assets. Generally, federal and state authorities may examine PCANY’s tax returns for three years from the date of filing; consequently, income returns for years prior to 2021 are no longer subject to examination by tax authorities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events or transactions as to potential material impact on operations or financial position occurring through February 14, 2025, the date the financial statements were available to be issued. No events or transactions have been noted by the management.

2. FURNITURE AND NET EQUIPMENT

A summary of furniture and equipment at June 30, 2024 and 2023 follows:

	2024	2023
Furniture and Equipment	$ -	$ 6,739
Less: Accumulated Depreciation	-	(6,086)
Furniture and Equipment, net	$ -	$ 653

Depreciation expense was $653 and $1,511 for the years ended June 30, 2024 and 2023, respectively.

3. CASH RESERVE ADVANCE

In 2023 PCANY established a cash reserve advance with Key Bank. The reserve has a $10,000 advance limit at an interest rate of 18% as of June 30, 2024. The minimum monthly payment is calculated at 1/30th the outstanding balance. The reserve balance was $0 and $7,168 as of June 30, 2024 and 2023, respectively.

4. LONG-TERM DEBT

		2024		2023
Economic Injury Disaster Loan (EIDL) Program, loan payable to Key Bank in monthly installments of $641, including an interest rate of 2.75% starting in November 2020 and maturing in 2049. The loan is collateralized by substantially all assets of the Organization.	$	144,678	$	149,473
Less: Current Portion		(3,761)		(3,627)
Long-Term Debt, Net of Current Portion	$	140,917	$	145,846

Current maturities of long-term debt are as follows:

2025	$	3,761
2026		3,865
2027		3,973
2028		4,084
2029		4,197
Thereafter		124,798
	$	144,678

Due to the uncertainty of accrued interest from the inception of the EIDL loan, PCANY had to increase the loan balance by approximately $4,200 once the amount was known in 22-23. In 22-23, payments on the loan totaled $2,439 which reduced the loan balance, and accrued interest was recorded totaling $4,195 which increased the loan balance.

5. RENT

PCANY entered into a month-to-month shared office space lease for two offices, at $3,400 per month.

Rent expense was $49,303 and $58,918 for the years ended June 30, 2024 and 2023, respectively, which includes base rent and additional parking fees.

6. RETIREMENT PLAN

PCANY has a SIMPLE IRA plan. Employees can contribute a portion of their current salaries on a tax-deferred basis up to limits established by law. PCANY will match the employee's contributions equal to 100% of the elective deferral up to a limit of 3% of the employee's compensation. Retirement plan expense was $35,711 and $34,492 for the years ended June 30, 2024 and 2023, respectively, and is included in payroll taxes and benefits expense on the statement of functional expenses.

7. SIGNIFICANT CONCENTRATION

PCANY received approximately 93% and 88% of its revenue and other support from New York State grants for the years ended June 30, 2024 and 2023, respectively. Accounts receivable from New York State amounted to 99% of accounts receivable at June 30, 2024 and 2023.

8. FUNDING SOURCE

PCANY is subject to audits and reviews of reimbursable costs by various governmental funding sources. The outcome of these audits and reviews may have the effect of retroactively increasing or decreasing revenue. In the event that a future audit or review determines that an adjustment is required, the amount will be recognized in the period in which it becomes fixed and determinable. Management expects such amounts, if any, to be immaterial.

PCANY receives funding from various governmental sources, generally as either a sub-recipient or a sub-contractor of the grant. PCANY makes this determination by analyzing each individual grant and consulting with the grantor if needed. If the amount of funds received as a sub-recipient exceed certain thresholds, a federal compliance audit is required. The Organization did not exceed these thresholds for the years ended June 30, 2024 and 2023, respectively.

9. LIQUIDITY

PCANY is substantially supported by government grant income generated by its program operations. In addition, some support is received from donors. The following reflects PCANY's financial assets at June 30, 2024 that are available to meet cash needs within one year of the statement of financial position date:

Financial Assets	
Cash	$ 186,451
Accounts Receivable	399,204
Total Financial Assets Available	$ 585,655

PCANY has a policy to structure its financial assets to meet its obligations as they come due. PCANY's ability to meet its cash needs is highly dependent on timely billing and collection of its accounts receivable which is primarily due from government funders. Many of these arrangements require PCANY to incur costs in advance and then bill for reimbursements after the cash outlay is made. Procedures have been designed to collect from these payors as quickly as possible, however, the timeliness of these payments can sometimes be difficult to predict. PCANY can manage vendor relationships to extend payment terms where possible. The Organization has a goal to maintain financial assets, which consist of cash and accounts receivable on hand to meet 60 days of normal operating expenses, which are, on average, approximately $349,000.