

# **Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC**

**Financial Statements  
with Report of Independent Auditors  
For the Year Ended December 31, 2023 and 2022**

Report of Independent Auditors

To the Board of Directors of  
Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC:

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying consolidated financial statements of Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the year 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC 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 these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

**Auditors' 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 auditors' 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 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 generally accepted auditing standards 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 Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC'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 Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC'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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the consolidated 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 September 25, 2024, on our consideration of Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC's internal control over financial reporting and on our tests of their 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 Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC'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 Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC's internal control over financial reporting and compliance.

Austin, Texas  
September 25, 2024  
Austin, TX

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
PROJECT FOUNDATION AND DOUBLETAKE AUSTIN, LLC  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2023 and 2022

ASSETS	2023	2022
Current assets		
Cash and cash equivalents	\$ 2,057,128	3,343,697
Receivables		
Grants and contracts	1,268,842	1,025,714
Promises to give, net	443,376	340,873
Rents and other receivables	293,223	292,473
Prepaid expenses	74,507	114,949
Inventory - thrift store	62,363	62,121
Investments	2,544,332	40,540
Total current assets	6,743,771	5,220,367
Non-current promises to give, net	738,253	788,261
Right of use asset - operating	382,660	499,447
Fixed assets, net of accumulated depreciation	4,997,850	5,181,812
Other Assets	13,167	13,167
Total assets	\$ 12,875,701	11,703,054
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 238,866	\$ 165,760
Payroll and related liabilities	3,773	180,131
Accrued vacation payable	188,271	16,693
Deferred revenue	11,549	46,743
Prepaid rent	17,528	-
Accrued interest payable	4,739	4,872
Current portion of lease liability - operating	131,077	117,257
Current portion of note payable	42,984	41,444
Total current liabilities	638,787	572,900
Long-term liabilities		
Note payable, net current portion	1,401,593	1,439,914
Lease liability - operating	271,929	403,007
Straight-line rent liability	-	8,684
Total long-term liabilities	1,673,522	1,851,605
Total liabilities	2,312,309	2,424,505
Net Assets		
Without Donor Restrictions		
Available for current operations	6,467,654	4,741,279
Board designated	-	132,659
Investment in fixed assets	3,538,470	3,700,454
Total net assets without donor restrictions	10,006,124	8,574,392
With Donor Restrictions	557,268	704,157
Total net assets	10,563,392	9,278,549
Total liabilities and net assets	\$ 12,875,701	11,703,054

see accompanying notes

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
PROJECT FOUNDATION AND DOUBLETAKE AUSTIN, LLC  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Grants and contracts	\$ 4,918,202	\$ 134,322	\$ 5,052,524
Contributions	1,558,452	475,199	2,033,651
Fundraising activity			
Fundraising income	3,573,790	-	3,573,790
Direct benefit to donors	(1,141,325)	-	(1,141,325)
Net fundraising activity	2,432,465	-	2,432,465
Rental income	261,069	-	261,069
Thrift store sales	138,090	-	138,090
Donated thrift store goods	242	-	242
In-kind donations	20,000	-	20,000
Guild Memberships	11,000	-	11,000
Training honorariums	10,260	-	10,260
Gain (loss) on investments	56,865	-	56,865
Other income	28,326	-	28,326
Net assets released from donor imposed restrictions	756,410	(756,410)	-
Total revenues and other support	10,191,381	(146,889)	10,044,492
<b>EXPENSES</b>			
Program services			
Assistance to children	7,229,910	-	7,229,910
Supporting services			
Management and general	690,450	-	690,450
Fundraising	706,630	-	706,630
Total expenses	8,626,990	-	8,626,990
<b>CHANGE IN NET ASSETS</b>	1,564,391	(146,889)	1,417,502
<b>NET ASSETS</b>			
Beginning of year	8,574,392	704,157	9,278,549
Transfer of net assets from Tomorrow's Child Legacy	(132,659)	-	(132,659)
End of year	10,006,124	557,268	10,563,392

see accompanying notes

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
PROJECT FOUNDATION AND DOUBLETAKE AUSTIN, LLC  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Grants and contracts	\$ 3,763,118	\$ 357,500	\$ 4,120,618
Contributions	845,390	471,976	1,317,366
Fundraising activity			
Fundraising income	2,810,268	-	2,810,268
Direct benefit to donors	(856,677)	-	(856,677)
Net fundraising activity	<u>1,953,591</u>	<u>-</u>	<u>1,953,591</u>
Rental income	248,637	-	248,637
Thrift store sales	163,122	-	163,122
Donated thrift store goods	886	-	886
In-kind donations	20,000	-	20,000
Guild Memberships	8,700	-	8,700
Training honorariums	100	-	100
Gain (loss) on investments	(9,867)	-	(9,867)
Other income	1,413	-	1,413
Net assets released from donor imposed restrictions	<u>930,541</u>	<u>(930,541)</u>	<u>-</u>
Total revenues and other support	<u>7,925,631</u>	<u>(101,065)</u>	<u>7,824,566</u>
<b>EXPENSES</b>			
Program services			
Assistance to children	6,404,164	-	6,404,164
Supporting services			
Management and general	598,674	-	598,674
Fundraising	677,848	-	677,848
Total expenses	<u>7,680,686</u>	<u>-</u>	<u>7,680,686</u>
<b>CHANGE IN NET ASSETS</b>	244,945	(101,065)	143,880
<b>NET ASSETS</b>			
Beginning of year	7,579,447	1,555,222	9,134,669
Transfer of pledge from donor restriction	750,000	(750,000)	-
End of year	<u>8,574,392</u>	<u>704,157</u>	<u>9,278,549</u>

see accompanying notes

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2023

EXPENSES	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 4,136,424	\$ 397,128	\$ 434,147	\$ 4,967,699
Benefits	553,328	54,531	59,614	667,473
Payroll taxes	328,706	30,243	33,063	392,012
Total personnel costs	<u>5,018,458</u>	<u>481,902</u>	<u>526,824</u>	<u>6,027,184</u>
Depreciation	481,182	46,548	50,887	578,617
Rent Expense	181,030	8,334	9,110	198,474
Utilities	109,169	10,632	11,623	131,424
Software licensing	117,096	11,151	12,190	140,437
Equipment rental	69,102	6,810	7,445	83,357
Repairs and maintenance	90,797	8,003	8,749	107,549
Telephone/Internet	89,623	8,445	9,232	107,300
Network maintenance	68,090	6,710	7,336	82,136
Interest	53,833	5,305	5,800	64,938
Uncollectible pledges	46,458	4,579	5,005	56,042
Community outreach	157,205	-	-	157,205
Professional fees	33,227	2,555	2,793	38,575
Fundraising	-	-	32,438	32,438
Office/household supplies	42,830	4,221	4,615	51,666
Insurance	60,737	5,834	6,378	72,949
Program supplies	35,991	-	-	35,991
Staff training	40,351	-	-	40,351
Direct assistance to clients	50,676	-	-	50,676
Accounting fees	19,772	1,948	2,130	23,850
Travel and mileage	66,130	-	-	66,130
Printing, postage and delivery	25,553	-	-	25,553
Multidisciplinary training	24,545	-	-	24,545
Personnel costs	47,032	2,062	2,254	51,348
Membership fees	9,129	-	-	9,129
Marketing & advertising	87,943	-	-	87,943
Credit card discounts	94,306	-	-	94,306
Contract labor	37,424	73,745	-	111,169
Fire/Alarm/Elevator	12,804	1,262	1,380	15,446
Translation	7,472	-	-	7,472
Friends of Christopher Guild	95	-	-	95
Miscellaneous	51,850	404	441	52,695
Total expenses	<u>\$ 7,229,910</u>	<u>\$ 690,450</u>	<u>\$ 706,630</u>	<u>\$ 8,626,990</u>

see accompanying notes



CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2022

EXPENSES	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 3,664,529	\$ 377,595	\$ 366,144	\$ 4,408,268
Benefits	487,502	51,292	49,736	588,530
Payroll taxes	298,058	29,731	28,830	356,619
Total personnel costs	<u>4,450,089</u>	<u>458,618</u>	<u>444,710</u>	<u>5,353,417</u>
Depreciation	468,676	48,379	46,912	563,967
Rent Expense	205,860	7,967	7,725	221,552
Utilities	113,737	11,779	11,422	136,938
Software licensing	84,660	8,508	8,250	101,418
Equipment rental	78,353	8,244	7,994	94,591
Repairs and maintenance	92,966	9,592	9,301	111,859
Telephone/Internet	87,701	8,833	8,565	105,099
Network maintenance	60,946	6,412	6,218	73,576
Interest	55,432	5,832	5,655	66,919
Uncollectible pledges	47,617	5,010	4,858	57,485
Community outreach	94,443	-	-	94,443
Professional fees	25,861	2,651	2,570	31,082
Fundraising	-	-	97,330	97,330
Office/household supplies	65,413	6,883	6,674	78,970
Insurance	51,387	5,271	5,111	61,769
Program supplies	50,442	-	-	50,442
Staff training	28,690	-	-	28,690
Direct assistance to clients	43,950	-	-	43,950
Accounting fees	27,930	2,939	2,850	33,719
Travel and mileage	57,562	-	-	57,562
Counseling	14,346	-	-	14,346
Printing, postage and delivery	21,307	-	-	21,307
Multidisciplinary training	51,860	-	-	51,860
Personnel costs	23,694	981	951	25,626
Membership fees	10,748	-	-	10,748
Marketing & advertising	39,925	-	-	39,925
Credit card discounts	11,127	-	-	11,127
Contract labor	11,796	-	-	11,796
Fire/Alarm/Elevator	7,095	746	724	8,565
Translation	6,818	-	-	6,818
Friends of Christopher Guild	13,277	-	-	13,277
Miscellaneous	456	29	28	513
Total expenses	<u>\$ 6,404,164</u>	<u>\$ 598,674</u>	<u>\$ 677,848</u>	<u>\$ 7,680,686</u>

see accompanying notes

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,417,502	\$ 143,880
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Non cash items in change in net assets:		
Lease expense	-	13,469
Depreciation	578,617	563,967
Amortization	4,692	4,692
(Gain) loss on investments	892	149
(Increase) decrease in operating assets:		
Receivables:		
Grants and contracts	(243,128)	317,194
Promises to give	(52,495)	237,588
Rents and other receivables	(750)	(219,888)
Prepaid expenses	40,442	(53,719)
Right of use asset - operating	116,787	-
Inventory - thrift store	(242)	(887)
Increase (decrease) in operating liabilities:		
Accounts payable	73,106	45,874
Payroll related liabilities	(176,358)	153,920
Accrued vacation payable	171,578	(137,488)
Deferred revenue	(35,194)	(4,611)
Prepaid rent	17,528	(6,267)
Accrued interest payable	(133)	(127)
Straight-line rent liability	(8,684)	1,335
Lease liability - operating	(117,258)	-
Net cash provided by operating activities	1,786,902	1,059,081
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(394,655)	(364,187)
Sale (purchase) of investments	(2,637,343)	8,326
Net cash used in investing activities	(3,031,998)	(355,861)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(41,473)	(39,497)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,286,569)	663,723
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	\$ 3,343,697	\$ 2,679,974
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 2,057,128	\$ 3,343,697
<b>CASH AND CASH EQUIVALENTS</b>	\$ 2,057,128	\$ 3,343,697
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	\$ 2,057,128	\$ 3,343,697

see accompanying notes

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2023 and 2022

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid for interest	<u>\$ 60,113</u>	<u>\$ 71,530</u>
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SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING  
AND FINANCING INFORMATION:

Transfer of net assets from Tomorrow's Child Legacy to revenue	<u>\$ 132,659</u>	<u>\$ -</u>
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see accompanying notes

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY PROJECT FOUNDATION AND  
DOUBLETAKE AUSTIN, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

1. General

Center for Child Protection (the "Center") is a Texas non-profit corporation established in 1989. The primary purpose of the Center is to operate service centers for the benefit of abused children which coordinates investigation, counseling, medical assistance, advocacy and educational services to assist victims of child abuse.

Tomorrow's Child Legacy Project Foundation (the "Foundation") is a Texas non-profit corporation established in 2014. The Center controls the majority voting interest of the Foundation. The primary purpose of the Foundation is to support the prevention of child abuse and successful early intervention.

DoubleTake Austin, LLC (the "Store") is a Texas limited liability company established in 2019. The Center is the sole member of the Store. The primary purpose of the Store is to operate a thrift store to support the charitable purpose of the Center.

Collectively, the Center, the Foundation, and the Store are referred to as the "Organization."

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Organization has adopted FASB ASC 958 *Not-for Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The financial statements of the Organization have been prepared on the accrual basis method of accounting, which includes recognition of revenues and expenses as earned or incurred.

Principles of consolidation

The accompanying consolidated financial statements present the consolidated financial position and changes in net assets of the Organization. All significant transactions have been eliminated in consolidation.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Concentration of credit risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

During 2023 and 2022, the Organization received approximately 33% and 47%, respectively, of its total revenue from cost-reimbursement grants with one funding source.

Federal income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization believes it is no longer subject to examination by the IRS for years prior to 2019.

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY PROJECT FOUNDATION AND  
DOUBLETAKE AUSTIN, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

2. Summary of significant accounting policies and nature of operations (continued)

Federal income taxes (continued)

The Organization has adopted the FASB guidance for recognition of uncertain tax positions. Interest and penalties related to uncertain tax positions will be recognized in income tax expenses, if applicable. As of December 31, 2023 and 2022, no uncertain tax positions have been identified and therefore, no amounts were recognized during the years ended December 31, 2023 and 2022.

Net assets classes

*Net Assets without Donor Restrictions:* These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions. While these resources are reported as unrestricted, the Organization manages them in compliance with its exempt purposes, governing board designations, legal requirements, and contractual obligations.

*Net Assets with Donor Restrictions:* These net assets result from gifts or cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Accounts receivable and bad debts

Accounts receivable are valued using an allowance for uncollectible accounts. The allowance is determined by management's review of balances at year end, an analysis of historical bad debts, a review of the aging of the balances, and an analysis of the individual or entity that owes the amount. At such time as balances are determined to be uncollectible, the amount is written off against the allowance. For trade and other receivables, no allowance was considered necessary for 2023 and 2022. See Note 5 for allowance related to pledge receivables. The allowance for uncollectible accounts reported in the financial statements is considered an accounting estimate. The estimate may be adjusted as more current information becomes available and any adjustment could be significant.

Advertising costs

Advertising costs are expensed when incurred.

Revenue recognition

The Center is the lessor in several operating leases (see note 6). The Center determines if a contract is a lease or contains a lease at inception. At the commencement of an operating lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. Rental revenue attributable to commercial leases is recorded when due from tenants, generally upon the first day of each month. Leases are for periods of up to five years, with rental payments due monthly. Advance receipts of revenue are deferred and classified as liabilities until earned.

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY PROJECT FOUNDATION AND  
DOUBLETAKE AUSTIN, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

2. Summary of significant accounting policies and nature of operations (continued)

Revenue recognition (continued)

The Center receives funding in the form of grants, reimbursement contracts, fundraising, and contributions. Unconditional funding is reported as revenues when notification of the award or contribution is received. Reimbursement contracts and contributions that are considered conditional promises to give are reported as revenue when the conditions are met. Generally, the condition to be met is compliance with program services and budgetary requirements imposed by the donor.

Inventory

Thrift store inventory consists entirely of donated goods and is valued at its estimated net realizable value. It is not practical to determine the fair value of goods donated during the course of the year due to the volume of donations received. At year end, the Store estimates the value of donated goods on hand and records the amount as inventory with a corresponding adjustment to donated contributions. At December 31 2023 and 2022, the Store estimated net realizable value by applying two methodologies:

*Sales Floor:* At or near year-end, the Center performs an inventory count of the items on the sales floor. The value of the items is determined by calculating the retail value of the items, less the estimated average discount needed to sell the item,

*Stock Room and Receiving:* Management determines the estimated volume of goods in the stock room and on the receiving dock, based on the total items on the sales floor, and estimates the value of inventory based on the value determined for the items on the sales floor.

Fair value measurements

The Organization applies the accounting provisions related to fair value measurements. These provisions define fair value as 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, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

*Level 1:* Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

*Level 2:* Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

*Level 3:* Unobservable inputs that reflect the Organization's own assumptions.

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2. Summary of significant accounting policies and nature of operations (continued)

Fair value measurements (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the valuation methods are determined to be appropriate and consistent within the industry, the use of different methodologies or assumptions to determine the fair value of certain assets and liabilities could result in a different estimate of fair value at the reporting date.

The table below presents amounts at December 31, 2023 and 2022 for significant items measured at fair value on a recurring basis. The fair value of the investments account is based on notional amounts, interest rates, maturity date and other contract terms. The fair value of the investments account is valued using a third-party. The investments account is classified as a Level 2 measurement.

	2023	2022
Investment account	\$ 2,544,332	\$ 40,540

Fixed assets

Purchased fixed assets, with a cost of \$2,500 or more and a useful life of at least one year, are capitalized at cost while donated fixed assets are capitalized at the fair market value of the item at date of gift. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is computed using the straight-line method of computation over the estimated useful life of the asset (generally 5, 10, or 20 years). Depreciation expense, accumulated depreciation and the useful life used in the computation are considered accounting estimates. The estimates may be adjusted as more current information becomes available and any adjustment could be significant.

The Center uses the direct expensing method to account for planned major maintenance activities.

Fixed assets consist of the following as of December 31, 2023 and 2022:

	2023	2022
Land	744,250	744,250
Buildings	9,855,492	9,641,562
Furniture and equipment	1,336,862	1,232,937
Vehicles	86,953	86,953
Construction in progress	783,375	720,195
Artwork	40,395	40,395
Assistance dog	32,250	18,630
Less: accumulated depreciation	(7,881,727)	(7,303,110)
Fixed assets, net	\$ 4,997,850	5,181,812

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2. Summary of significant accounting policies and nature of operations (continued)

Contributed goods

The Store receives a substantial amount of donated goods during the year. The Store accounts for the contributed items as follows:

*Contributed Goods:* Contributed goods consist of thrift store items. The Store reports contributed goods at an estimated fair value if the goods can be sold in the thrift store. Those donated items that are determined to not be saleable are either given away or scrapped. The items determined not to be saleable are not recorded in these financial statements, nor have any values been placed on them. Costs related to bringing donated materials to a saleable condition are included in expenses as incurred. The value of thrift store items is recorded when the sale of the item occurs, or at year-end for items remaining in inventory.

The valuation of contributed goods reported in the financial statements is considered a significant accounting estimate. The estimate may be adjusted as more current information becomes available and any adjustment could be significant.

Impairment of long-lived assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If a long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There were no impairment losses recognized during 2023 and 2022.

Allocation of costs

The Center allocates common costs between program services, management and general, and fundraising based on the Center's activities benefiting from the cost. If an item is associated only with a program or fundraising, it is fully allocated to that category. Administrative and occupancy expenses are allocated based on salary allocations. The allocations are reviewed periodically and revised, if necessary, to reflect changes in the activities of the Center.

Commercial lease

The Organization determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

Operating lease right-of use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term.

The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The commercial lease agreement does not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease term.



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2. Summary of significant accounting policies and nature of operations (continued)

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Subsequent events

Subsequent events have been evaluated through September 25, 2024, which is the date the financial statements were available to be issued.

The Organization's board of directors approved a plan of liquidation for the Store in February 2024, and the Organization determined, therefore, that liquidation was imminent in February 2024. The financial statements have not been modified for this matter. The Store was fully liquidated by March 31, 2024.

3. Related party transactions

In addition to services relating to their function as board members, the board of directors contributed \$248,927 and \$187,890 to the Center for the years ended December 31, 2023 and 2022, respectively.

4. Promises to give

Pledges receivable consist of funds available for operating purposes. Pledges reported in the financial statements are the following.

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	521,619	406,449
Allowance for uncollectable pledges	(78,243)	(65,576)
Pledges due within one year	<u>\$ 443,376</u>	<u>340,873</u>
Receivable in one to five years	889,300	948,600
Receivable in over five years	-	-
Allowance for uncollectable pledges	(133,395)	(142,290)
Present value discount	(17,652)	(18,049)
Pledges due - non-current	<u>\$ 738,253</u>	<u>788,261</u>

Pledges receivable with due dates extending beyond one year are discounted using Treasury bill rates for similar term investments. For 2023 and 2022, the present value discount is computed using a .5% present value interest rate. Annual amortization of the discount for 2023 and 2022 is \$17,652 and \$18,049, respectively. These amounts are reported as temporarily restricted contributions, for the passage of time, in the statement of activities. New pledges of \$475,199 and \$435,677 were received in 2023 and 2022, respectively. Prior year pledges written off in 2023 and 2022 were \$31,443 and \$57,485, respectively. Pledges receivable considered past due amounted to \$39,943 and \$152,466 as of December 31, 2023 and 2022, respectively. The allowance for uncollectible pledges and the present value discount are considered accounting estimates.

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5. Long-term debt

In 2015, the Organization purchased an additional building in the same real estate complex as the Organization's facility. This debt was refinanced in 2019, including debt issuance costs and additional available credit for a utility project at the Organization's facility.

Debt issuance costs are reported on the statement of financial position as a direct deduction from the face amount of the debt. These costs are amortized over the life of the debt and are reported as interest expense in the statement of activities.

	<u>2023</u>	<u>2022</u>
Refinanced note payable to bank dated April 2, 2019, original amount of \$1,600,000, including \$444,605 of available credit, interest at 4.99%, 12 monthly interest-only payments, 119 monthly payments of \$9,412 including principal and interest, and final payment of \$1,194,631 due April 2030, collateral is a deed of trust on real estate and associated rent income from the property	\$ 1,474,292	1,515,765
Total long-term debt	1,474,292	1,515,765
Less: debt issuance costs, net	(29,715)	(34,407)
	1,444,577	1,481,358
Less: current portion of long-term debt	(42,984)	(41,444)
Long-term debt, net of current portion	\$ 1,401,593	1,439,914

Interest costs incurred for the years ended December 31, 2023 and 2022 were \$60,246 and \$62,227, respectively.

Aggregate annual maturities of the note payable over each of the next five years and thereafter are as follows:

2024	\$ 42,984
2025	44,924
2026	46,775
2027	48,703
2028	50,390
Thereafter	1,240,516
Total	\$ 1,474,292

6. Leasing activities

Lease income

As part of the acquisition of additional real estate, the Organization assumed four operating leases which provide commercial real estate space to affiliate organizations. Property and equipment have a value of \$2,630,108 at December 31, 2023, with accumulated depreciation of \$732,171. The assets are included in net fixed assets at December 31, 2023 and 2022. Minimum future rentals on non-cancelable operating leases with original terms of one year or longer total \$336,878 at December 31, 2023. These amounts are receivable as follows: 2024- \$252,659; and 2025- \$84,219.

Lease income under operating leases for 2023 and 2022 was \$261,069 and \$248,637, respectively.

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6. Leasing activities (continued)

Lease expense

In 2019, the Organization entered into a 5-year lease for the thrift store through December 31, 2025. In 2017, the Organization entered into a 10-year lease for a new location in Lakeway through August 31, 2027. The discount rate on the leases commenced in 2019 and 2017 is, 5% and 6%, respectively. These leases do not include renewal options. The Organization is also obligated on leases for office equipment. For accounting purposes, these leases are treated as operating leases. The future minimum lease payments required on these leases are as follows: 2024- \$226,969; 2025- \$230,757; 2026- \$96,126; and 2027- \$51,695.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of December 31:

	<u>2023</u>	<u>2022</u>
Operating leases		
Right-of-use assets	\$ 382,660	\$ 499,447
Total right of use asset - operating	\$ 382,660	\$ 499,447
Current portion of lease liabilities	\$ 131,077	\$ 117,257
Lease liability	271,929	403,007
Total lease liability - operating	\$ 403,006	\$ 520,264

The components of lease expenses were as follows:

	<u>2023</u>	<u>2022</u>
Operating lease cost	\$ 144,709	\$ 140,548
Total lease costs	\$ 144,709	\$ 140,548

Lease liability maturities:

	<u>Minimum lease payments</u>	<u>Discount rate</u>	<u>Lease liability maturities</u>
2024	\$226,969	\$ (95,892)	\$ 131,077
2025	230,757	(85,172)	145,585
2026	96,126	(22,245)	73,881
2027	51,695	768	52,463
Thereafter	-	-	-
Total	<u>\$605,547</u>	<u>\$(202,541)</u>	<u>\$ 403,006</u>

7. 401(k) savings plan

The Center maintains a 401(k) plan (the "Plan") to provide retirement benefits for the Center's staff. Staff may contribute a percentage of their annual compensation, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Plan includes a comparability profit sharing provision which requires the Center to make mandatory safe harbor non-elective contributions in an amount equal to 3% of each eligible participant's compensation. These safe harbor contributions are subject to a 100% immediate vesting schedule. New hires are eligible to participate after one year of service. In addition, the Plan provides for discretionary contributions as determined by the Board of Directors. The Center contributed \$169,407 and \$136,792 to the Plan in 2023 and 2022, respectively.

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8. Contributed goods

The Store received the following contributed goods that have been reported in the financial statements:

	<u>2023</u>	<u>2022</u>
Donated thrift store goods		
Thrift store sales	\$ 138,090	\$ 163,122
Change in inventory	242	886
Total donated thrift store goods	\$ 138,332	\$ 164,008

9. Net assets with donor restrictions

During 2023 and 2022 \$756,410 and \$930,541, respectively in temporarily restricted net assets were released from accompanying stipulations due to the Center's action or due to the passage of time and are reported as transfers from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Programs and projects	\$ 125,639	\$ 294,331
Subject to the passage of time:		
Promises to give that are unavailable for expenditure until due	431,629	409,826
	\$ 557,268	\$ 704,157

10. Agency endowment funds

Beneficial interest in endowment fund: In 2005, the Center established a permanent endowment fund, the Tomorrow's Child Fund (the "Fund"), with the Austin Community Foundation for the Capital Area (the "ACF"). The Fund is considered an agency endowment fund and an asset of ACF. Funding for the Fund consists of contributions made by a transfer of cash or other assets from donors or the Center to ACF. All contributions are considered irrevocable and shall be used in furtherance of the purpose of the Fund. The Center has granted variance power to ACF, therefore the ACF Endowment Fund for the Center is considered an asset of ACF. The Center is considered the beneficiary of the endowment and recognized the value of its beneficial interest in the Fund. Annually, an amount equal to 5% of the Fund's value as of December 31 each year shall be available to the Center in the following year upon request of the Center, or otherwise as determined by the Board of Governors of ACF. The funds are recorded as contributions when received by the Center. Funds available for grant distribution at December 31, 2023 and 2022, were \$28,500 and \$28,500, respectively.

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10. Agency endowment funds (continued)

During 2023 and 2022, the Center had the following beneficial interest in endowment fund activities:

	<u>2023</u>	<u>2022</u>
<b>Tomorrow's Child Endowment Fund</b>		
Beneficial interest, beginning of year	\$ 426,417	\$ 499,084
Contributions	-	-
Interest and dividends	9,964	8,436
Realized and unrealized gains (losses)	50,843	(76,137)
Distributions	-	-
Administrative expenses	(4,925)	(4,966)
Beneficial interest, end of year	<u>\$ 482,299</u>	<u>\$ 426,417</u>

11. Liquidity and availability of financial assets

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

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,001,489	\$ 3,313,697
Investments	2,544,332	40,540
Promises to give, no purpose restrictions	443,376	340,873
Receivables, grants and contracts	1,198,842	761,383
Receivables, rents and other	293,223	292,473
Available without restriction within one year	<u>\$ 6,481,262</u>	<u>\$ 4,748,966</u>

As part of the Center's liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds.

## **SUPPLEMENTARY INFORMATION**

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
PROJECT FOUNDATION AND DOUBLETAKE AUSTIN, LLC  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
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ASSETS	Center	Foundation	DoubleTake	Eliminations	Consolidated
Current assets					
Cash and cash equivalents	\$ 2,007,025	\$ -	\$ 50,103	-	2,057,128
Receivables					
Grants and contracts	1,268,842	-	-	-	1,268,842
Promises to give, net	443,376	-	-	-	443,376
Rents and other receivables	293,223	-	-	-	293,223
Prepaid expenses	67,405	-	7,102	-	74,507
Inventory - thrift store	-	-	62,363	-	62,363
Investments	2,544,332	-	-	-	2,544,332
Total current assets	<u>6,624,203</u>	<u>-</u>	<u>119,568</u>	<u>-</u>	<u>6,743,771</u>
Non-current promises to give, net	<u>738,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>738,253</u>
Right of use asset - operating	<u>241,005</u>	<u>-</u>	<u>141,655</u>	<u>-</u>	<u>382,660</u>
Fixed assets					
Land	744,250	-	-	-	744,250
Buildings and improvements	9,826,125	-	29,367	-	9,855,492
Furniture and equipment	1,318,195	-	18,667	-	1,336,862
Vehicles	67,728	-	19,225	-	86,953
Artwork	40,395	-	-	-	40,395
Assistance dog	32,250	-	-	-	32,250
Construction in progress	783,375	-	-	-	783,375
Less accumulated depreciation	<u>(7,829,272)</u>	<u>-</u>	<u>(52,455)</u>	<u>-</u>	<u>(7,881,727)</u>
Fixed assets, net	<u>4,983,046</u>	<u>-</u>	<u>14,804</u>	<u>-</u>	<u>4,997,850</u>
Other Assets	<u>367,319</u>	<u>-</u>	<u>5,438</u>	<u>(359,590)</u>	<u>13,167</u>
Total assets	<u>\$ 12,953,826</u>	<u>\$ -</u>	<u>\$ 281,465</u>	<u>\$ (359,590)</u>	<u>\$ 12,875,701</u>

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CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
PROJECT FOUNDATION AND DOUBLETAKE AUSTIN, LLC  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
December 31, 2022

ASSETS	<u>Center</u>	<u>Foundation</u>	<u>DoubleTake</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current assets					
Cash and cash equivalents	\$ 3,181,509	\$ 132,659	\$ 29,529	\$ -	\$ 3,343,697
Receivables					
Grants and contracts	1,025,714	-	-	-	1,025,714
Promises to give, net	340,873	-	-	-	340,873
Rents and other receivables	292,473	-	-	-	292,473
Prepaid expenses	105,168	-	9,781	-	114,949
Inventory - thrift store	-	-	62,121	-	62,121
Investments	40,540	-	-	-	40,540
Total current assets	<u>4,986,277</u>	<u>132,659</u>	<u>101,431</u>	<u>-</u>	<u>5,220,367</u>
Non-current promises to give, net	<u>788,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>788,261</u>
Right of use asset - operating	<u>295,043</u>	<u>-</u>	<u>204,404</u>	<u>-</u>	<u>499,447</u>
Fixed assets					
Land	744,250	-	-	-	744,250
Buildings and improvements	9,612,196	-	29,366	-	9,641,562
Furniture and equipment	1,214,270	-	18,667	-	1,232,937
Vehicles	67,728	-	19,225	-	86,953
Artwork	40,395	-	-	-	40,395
Assistance dog	18,630	-	-	-	18,630
Construction in progress	720,195	-	-	-	720,195
Less accumulated depreciation	<u>(7,259,517)</u>	<u>-</u>	<u>(43,593)</u>	<u>-</u>	<u>(7,303,110)</u>
Fixed assets, net	<u>5,158,147</u>	<u>-</u>	<u>23,665</u>	<u>-</u>	<u>5,181,812</u>
Other Assets	<u>212,396</u>	<u>-</u>	<u>5,438</u>	<u>(204,667)</u>	<u>13,167</u>
Total assets	<u>\$ 11,440,124</u>	<u>\$ 132,659</u>	<u>\$ 334,938</u>	<u>\$ (204,667)</u>	<u>\$ 11,703,054</u>

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CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
PROJECT FOUNDATION AND DOUBLETAKE AUSTIN, LLC  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION - CONTINUED

December 31, 2023

LIABILITIES AND NET ASSETS	Center	Foundation	DoubleTake	Eliminations	Consolidated
Current liabilities					
Accounts payable	\$ 238,866	\$ -	\$ -	\$ -	238,866
Payroll and related liabilities	2,912	-	861	-	3,773
Accrued vacation payable	188,271	-	-	-	188,271
Deferred revenue	7,568	-	3,981	-	11,549
Prepaid rent	17,528	-	-	-	17,528
Accrued interest payable	4,739	-	-	-	4,739
Current portion of lease liability - operating	60,181	-	70,896	-	131,077
Current portion of note payable	42,984	-	-	-	42,984
Total current liabilities	<u>563,049</u>	<u>-</u>	<u>75,738</u>	<u>-</u>	<u>638,787</u>
Long-term liabilities					
Note payable, net current portion	1,401,593	-	-	-	1,401,593
Lease Liability - operating	193,221	-	78,708	-	271,929
Total long-term liabilities	<u>1,594,814</u>	<u>-</u>	<u>78,708</u>	<u>-</u>	<u>1,673,522</u>
Total liabilities	<u>2,157,863</u>	<u>-</u>	<u>154,446</u>	<u>-</u>	<u>2,312,309</u>
Net Assets					
Without Donor Restrictions					
Available for current operations	6,700,225	-	127,019	(359,590)	6,467,654
Investment in fixed assets	3,538,470	-	-	-	3,538,470
Total unrestricted net assets	<u>10,238,695</u>	<u>-</u>	<u>127,019</u>	<u>(359,590)</u>	<u>10,006,124</u>
With Donor Restrictions					
Total net assets	<u>557,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>557,268</u>
Total net assets	<u>10,795,963</u>	<u>-</u>	<u>127,019</u>	<u>(359,590)</u>	<u>10,563,392</u>
Total liabilities and net assets	<u>\$ 12,953,826</u>	<u>\$ -</u>	<u>\$ 281,465</u>	<u>(359,590)</u>	<u>12,875,701</u>

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CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
PROJECT FOUNDATION AND DOUBLETAKE AUSTIN, LLC  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION - CONTINUED  
December 31, 2022

LIABILITIES AND NET ASSETS	<u>Center</u>	<u>Foundation</u>	<u>DoubleTake</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current liabilities					
Accounts payable	\$ 165,760	\$ -	\$ -	\$ -	165,760
Payroll and related liabilities	179,971	-	160	-	180,131
Accrued vacation payable	16,693	-	-	-	16,693
Deferred revenue	42,701	-	4,042	-	46,743
Prepaid rent	-	-	-	-	-
Accrued interest payable	4,872	-	-	-	4,872
Current portion of lease liability - operating	53,774	-	63,483	-	117,257
Current portion of note payable	41,444	-	-	-	41,444
Total current liabilities	<u>505,215</u>	<u>-</u>	<u>67,685</u>	<u>-</u>	<u>572,900</u>
Long-term liabilities					
Note payable, net current portion	1,439,914	-	-	-	1,439,914
Lease Liability - operating	253,402	-	149,605	-	403,007
Straight-line rent liability	-	-	8,684	-	8,684
Total long-term liabilities	<u>1,693,316</u>	<u>-</u>	<u>158,289</u>	<u>-</u>	<u>1,851,605</u>
Total liabilities	<u>2,198,531</u>	<u>-</u>	<u>225,974</u>	<u>-</u>	<u>2,424,505</u>
Net Assets					
Without Donor Restrictions					
Available for current operations	4,861,345	-	84,601	(204,667)	4,741,279
Board designated	-	132,659	-	-	132,659
Investment in fixed assets	3,676,091	-	24,363	-	3,700,454
Total unrestricted net assets	<u>8,537,436</u>	<u>132,659</u>	<u>108,964</u>	<u>(204,667)</u>	<u>8,574,392</u>
With Donor Restrictions	704,157	-	-	-	704,157
Total net assets	<u>9,241,593</u>	<u>132,659</u>	<u>108,964</u>	<u>(204,667)</u>	<u>9,278,549</u>
Total liabilities and net assets	<u>\$ 11,440,124</u>	<u>132,659</u>	<u>\$ 334,938</u>	<u>(204,667)</u>	<u>11,703,054</u>

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CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
PROJECT FOUNDATION AND DOUBLETAKE AUSTIN, LLC  
CONSOLIDATING STATEMENTS OF ACTIVITIES  
For the year ended December 31, 2023

	<u>Center</u>	<u>Foundation</u>	<u>DoubleTake</u>	<u>Eliminations</u>	<u>Consolidated</u>
REVENUES AND OTHER SUPPORT					
Grants and contracts	\$ 5,052,524	\$ -	\$ -	\$ -	\$ 5,052,524
Contributions	2,032,854	-	797	-	2,033,651
Fundraising activity					
Fundraising income	3,573,790	-	-	-	3,573,790
Direct benefit to donors	(1,141,325)	-	-	-	(1,141,325)
Net fundraising activity	<u>2,432,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,432,465</u>
Rental income	261,069	-	-	-	261,069
Thrift store sales	-	-	138,090	-	138,090
Donated thrift store goods	-	-	242	-	242
In-kind donations	20,000	-	-	-	20,000
Guild Memberships	11,000	-	-	-	11,000
Training honorariums	10,260	-	-	-	10,260
Gain (loss) on investments	56,865	-	-	-	56,865
Other income	28,326	-	-	-	28,326
Total revenues and other support	<u>\$ 9,905,363</u>	<u>\$ -</u>	<u>\$ 139,129</u>	<u>\$ -</u>	<u>\$ 10,044,492</u>

see report of independent auditors

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
PROJECT FOUNDATION AND DOUBLETAKE AUSTIN, LLC  
CONSOLIDATING STATEMENTS OF ACTIVITIES  
For the year ended December 31, 2022

	<u>Center</u>	<u>Foundation</u>	<u>DoubleTake</u>	<u>Eliminations</u>	<u>Consolidated</u>
REVENUES AND OTHER SUPPORT					
Grants and contracts	\$ 4,120,618	\$ -	\$ -	\$ -	\$ 4,120,618
Contributions	1,317,236	-	130	-	1,317,366
Fundraising activity					
Fundraising income	2,810,268	-	-	-	2,810,268
Direct benefit to donors	(856,677)	-	-	-	(856,677)
Net fundraising activity	<u>1,953,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,953,591</u>
Rental income	248,637	-	-	-	248,637
Thrift store sales	-	-	163,122	-	163,122
Donated thrift store goods	-	-	886	-	886
In-kind donations	20,000	-	-	-	20,000
Guild Memberships	8,700	-	-	-	8,700
Training honorariums	100	-	-	-	100
Gain (loss) on investments	(9,867)	-	-	-	(9,867)
Other income	1,053	360	201,963	(201,963)	1,413
Total revenues and other support	<u>\$ 7,660,068</u>	<u>\$ 360</u>	<u>\$ 366,101</u>	<u>\$ (201,963)</u>	<u>\$ 7,824,566</u>

see report of independent auditors

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
PROJECT FOUNDATION AND DOUBLETAKE AUSTIN, LLC  
CONSOLIDATING STATEMENTS OF ACTIVITIES - CONTINUED  
For the year ended December 31, 2023

	<u>Center</u>	<u>Foundation</u>	<u>DoubleTake</u>	<u>Eliminations</u>	<u>Consolidated</u>
EXPENSES					
Program services					
Assistance to children	6,953,915	-	275,995	-	7,229,910
Supporting services					
Management and general	690,450	-	-	-	690,450
Fundraising	706,630	-	-	-	706,630
Total expenses	<u>8,350,995</u>	<u>-</u>	<u>275,995</u>	<u>-</u>	<u>8,626,990</u>
CHANGE IN NET ASSETS	1,554,370	-	(136,868)	-	1,417,502
NET ASSETS					
Beginning of year	9,241,593	132,659	108,964	(204,667)	9,278,549
Transfer of net assets from Tomorrow's Child Fund	-	(132,659)	-	-	(132,659)
Capital contributions	<u>-</u>	<u>-</u>	<u>154,923</u>	<u>(154,923)</u>	<u>-</u>
End of year	<u><u>10,795,963</u></u>	<u><u>-</u></u>	<u><u>127,019</u></u>	<u><u>(359,590)</u></u>	<u><u>10,563,392</u></u>

see report of independent auditors

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY  
PROJECT FOUNDATION AND DOUBLETAKE AUSTIN, LLC  
CONSOLIDATING STATEMENTS OF ACTIVITIES - CONTINUED  
For the year ended December 31, 2022

	<u>Center</u>	<u>Foundation</u>	<u>DoubleTake</u>	<u>Eliminations</u>	<u>Consolidated</u>
EXPENSES					
Program services					
Assistance to children	6,350,166	414	255,547	(201,963)	6,404,164
Supporting services					
Management and general	598,674	-	-	-	598,674
Fundraising	677,848	-	-	-	677,848
Total expenses	<u>7,626,688</u>	<u>414</u>	<u>255,547</u>	<u>(201,963)</u>	<u>7,680,686</u>
CHANGE IN NET ASSETS (decrease)	33,380	(54)	110,554	-	143,880
NET ASSETS					
Beginning of year	9,208,213	132,713	(206,257)	-	9,134,669
Capital contributions	<u>-</u>	<u>-</u>	<u>204,667</u>	<u>(204,667)</u>	<u>-</u>
End of year	<u>\$ 9,241,593</u>	<u>\$ 132,659</u>	<u>\$ 108,964</u>	<u>\$ (204,667)</u>	<u>\$ 9,278,549</u>

see report of independent auditors



INDEPENDENT AUDITOR'S 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*

To the Board of Directors of  
Center for Child Protection Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC

We have audited, in accordance with the 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 consolidated financial statements of Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC, which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 25, 2024.

***Internal Control over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC'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 Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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 or significant deficiencies may exist that were not identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC's consolidated 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 determination of financial statement amounts. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Austin, Texas  
September 25, 2024





INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of  
Center for Child Protection Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC

***Report on Compliance for Each Major Federal Program***

***Opinion on Each Major Federal Program***

We have audited Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC's major federal programs for the year ended December 31, 2023. Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of their major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC and to meet our other 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 each major federal program. Our audit does not provide a legal determination of Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC's compliance with the compliance requirements referred 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 laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC's federal programs.

### ***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 Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk 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 Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment 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 Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC'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 Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC'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 federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 federal program 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 federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 were not 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Austin, Texas  
September 25, 2024

**CENTER FOR CHILD PROTECTION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended December 31, 2023

Federal Grantor	Pass through Grantor/ Program Title/ Program Period	Federal AL Number	Grant Award #	Federal Expenditures
<b>U.S. Department of Justice, Office of Justice Programs, Office for Victims of Crime</b>				
<u>Pass through funding</u>				
Office of the Governor of Texas, Criminal Justice Division (CJD):				
Children's Advocacy Centers of Texas (CACTX):				
VA-Victims of Crime Act Formula Grant				
	FY23 CAC VOCA October 1, 2022 - September 30, 2023	16.575	VOCA I-FY23-5	1,666,726
	FY23 CAC VOCA October 1, 2023 - September 30, 2024	16.575	VOCA II-FY24-5	<u>587,157</u>
	Total AL Number 16.575			<u>2,253,883</u>
	<b>Total federal expenditures</b>			<b><u>\$ 2,253,883</u></b>

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY PROJECT FOUNDATION AND  
DOUBLETAKE AUSTIN, LLC  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2023

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal expenditures of Center for Child Protection, Tomorrow's Child Legacy Project Foundation and DoubleTake Austin, LLC (the "Organization") under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the basic consolidated financial statements.

For purposes of the Schedule, federal awards include all sub awards to the Organization by nonfederal organizations pursuant to federal grants, contracts and similar agreements.

2. Summary of significant accounting policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed. Federal Assistance Listing numbers ("AL No.") are provided when available.

The Organization elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance..

CENTER FOR CHILD PROTECTION, TOMORROW'S CHILD LEGACY PROJECT FOUNDATION AND  
 DOUBLETAKE AUSTIN, LLC  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended December 31, 2023

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ <input checked="" type="checkbox"/> No

Federal Awards

Internal Control over major programs:		
Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Audit findings required to be reported in accordance with 2 CFR section 200.516(a)?	_____ Yes	_____ <input checked="" type="checkbox"/> No

Identification of major programs:

<u>AL Number</u> 16.575	<u>Name of Federal Program or Cluster</u> Children's Advocacy Centers of Texas (CACTX): VA-Victims of Crime Act Formula Grant
----------------------------	---

Federal Dollar threshold used to distinguish between Type A and Type B programs: \_\_\_\_\_ \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_  Yes \_\_\_\_\_ No

**Section II - Financial Statement Findings**

There were no findings noted.

**Section III - Federal Award Findings and Questioned Costs**

There were no findings noted.