CENTER FOR THE RIGHTS OF ABUSED CHILDREN

FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

Center for the Rights of Abused Children

Opinion

We have audited the financial statements of ***Center for the Rights of Abused Children*** (the "Organization"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

CBIZ CPAs P.C.

August 13, 2025

Center for the Rights of Abused Children

STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 177,868	$ 323,812
Pledges receivable	582,474	315,035
Prepaid expenses and other current assets	12,414	26,573
TOTAL CURRENT ASSETS	772,756	665,420
PROPERTY AND EQUIPMENT, net	78,863	99,650
TOTAL ASSETS	$ 851,619	$ 765,070

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Accounts payable	$ 110,841	$ 125,617
Accrued expenses	58,217	75,634
Current portion of long-term debt	3,625	461
TOTAL CURRENT LIABILITIES	172,683	201,712
LONG-TERM DEBT, net of current portion	146,375	149,539
TOTAL LIABILITIES	319,058	351,251
NET ASSETS		
Without donor restrictions	107,561	115,070
With donor restrictions	425,000	298,749
TOTAL NET ASSETS	532,561	413,819
TOTAL LIABILITIES AND NET ASSETS	$ 851,619	$ 765,070

Center for the Rights of Abused Children

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	$ 2,144,590	$ 425,000	$ 2,569,590
In-kind contributions	925,642	-	925,642
Net assets released from restrictions	298,749	(298,749)	-
Total support and revenues before special events	3,368,981	126,251	3,495,232
SPECIAL EVENTS			
Special events revenues	219,937	-	219,937
Less cost of direct donor benefits	(8,892)	-	(8,892)
Gross profit on special events	211,045	-	211,045
TOTAL SUPPORT AND REVENUES	3,580,026	126,251	3,706,277
EXPENSES			
Program services	2,710,399	-	2,710,399
Management and general	316,158	-	316,158
Fundraising	560,978	-	560,978
TOTAL EXPENSES	3,587,535	-	3,587,535
CHANGE IN NET ASSETS	(7,509)	126,251	118,742
NET ASSETS, BEGINNING OF YEAR	115,070	298,749	413,819
NET ASSETS, END OF YEAR	$ 107,561	$ 425,000	$ 532,561

Center for the Rights of Abused Children

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	$ 2,502,203	$ 216,993	$ 2,719,196
In-kind contributions	901,007	-	901,007
Net assets released from restrictions	190,983	(190,983)	-
TOTAL SUPPORT AND REVENUES	3,594,193	26,010	3,620,203
EXPENSES			
Program services	2,793,466	-	2,793,466
Management and general	363,093	-	363,093
Fundraising	756,971	-	756,971
TOTAL EXPENSES	3,913,530	-	3,913,530
CHANGE IN NET ASSETS	(319,337)	26,010	(293,327)
NET ASSETS, BEGINNING OF YEAR	434,407	272,739	707,146
NET ASSETS, END OF YEAR	$ 115,070	$ 298,749	$ 413,819

Center for the Rights of Abused Children

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2024

	Children's Legal Clinic	Management and General	Fundraising	Total
Salaries and wages	$ 1,410,851	$ 50,976	$ 149,285	$ 1,611,112
Occupancy	96,693	13,946	20,231	130,870
Contract labor	98,829	181,324	131,131	411,284
Legal	-	11,595	-	11,595
Lobbying	170,098	-	-	170,098
Office expenses	857,173	45,746	179,531	1,082,450
Other	59,644	12,199	86,716	158,559
Depreciation	17,111	372	2,976	20,459
Total	$ 2,710,399	$ 316,158	$ 569,870	$ 3,596,427

See Notes to Financial Statements

Center for the Rights of Abused Children

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

	Children's Legal Clinic	Management and General	Fundraising	Total
Salaries and wages	$ 1,438,776	$ 67,497	$ 157,477	$ 1,663,750
Occupancy	66,735	23,020	13,334	103,089
Contract labor	100,858	165,244	294,411	560,513
Legal	-	15,809	-	15,809
Lobbying	296,744	-	-	296,744
Office expenses	853,462	51,672	266,527	1,171,661
Other	20,162	38,457	22,660	81,279
Depreciation	16,729	1,394	2,562	20,685
Total	$ 2,793,466	$ 363,093	$ 756,971	$ 3,913,530

Center for the Rights of Abused Children

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 118,742	$ (293,327)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	20,459	20,685
Loss on disposal of property and equipment	328	-
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Pledges receivable	(267,439)	192,859
Prepaid expenses and other current assets	14,159	(5,565)
Increase (decrease) in:		
Accounts payable	(14,776)	78,871
Accrued expenses	(17,417)	37,070
Net cash provided by (used in) operating activities	(145,944)	30,593
NET CHANGE IN CASH AND CASH EQUIVALENTS	(145,944)	30,593
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	323,812	293,219
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 177,868	$ 323,812
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 3,706	$ 4,348

See Notes to Financial Statements

(1) Operations and summary of significant accounting policies

Organization's operations – ***Center for the Rights of Abused Children*** (the "Organization"), formerly known as Generation Justice, was founded in August 2017 and incorporated in Washington, DC as a not-for-profit organization. The Organization's mission is to protect children, change laws and inspire people – to ensure every abused child has a bright future. The Organization envisions a day when all of America's children have the opportunity to live in safe and loving homes.

The significant accounting policies followed by the Organization are summarized below:

Basis of presentation – The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. Under FASB 958-205, 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.

Management's use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – Cash includes cash and, at times, cash equivalents, which consist of highly liquid financial instruments purchased with original maturities of three months or less. Deposits at each institution are insured in limited amounts by the Federal Deposit Insurance Corporation ("FDIC").

Promises to give – Unconditional promises to give (pledges) that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Organization's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable's collectability. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions – The Organization evaluates grants and contributions for evidence of the transfer of commensurate value from the Organization to the grantor or resource provider. The transfer of commensurate value from the Organization to the grantor or resource provider may include instances when a) the goods or services provided by the Organization directly benefit the grantor or resource provider or are for the sole use of the grantor or resource provider or b) the grantor or resource provider obtains proprietary rights or other privileges from the goods or services provided by the Organization. When such factors exist, the Organization accounts for the grants or contributions as exchange transactions under ASC 606, *Revenue from Contracts with Customers*, or other appropriate guidance. In the absence of these factors, the Organization accounts for the award under the contribution accounting model.

(1) Operations and summary of significant accounting policies (continued)

In the absence of the transfer of commensurate value from the Organization to the resource provider, the Organization evaluates the contribution for criteria indicating the existence of measurable barriers to entitlement for the Organization and a right of return to the resource provider. A barrier to entitlement is subject to judgment and generally represents an unambiguous threshold for entitlement that provides clarity to both the Organization and resource provider whether the threshold has been met and when. These factors may include measurable performance thresholds or limited discretion on the part of the Organization to use the funds. Should the existence of a measurable barrier to entitlement exist and be accompanied by a right of return of the funds to the resource provider or release of the resource provider from the obligation, the contribution is treated as a conditional contribution. If both the barrier to entitlement and right of return do not exist, the contribution is unconditional. As of December 31, 2024 and 2023, the Organization had approximately $150,000 and $334,000 of conditional contributions which had not yet been recognized, respectively.

The Organization accounts for contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. In accordance with FASB ASC 958-605, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Restricted contributions, where restrictions are fulfilled in the same period in which the contribution is received, are shown as additions to net assets without restrictions.

Special events revenue – The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The direct costs of the special events which ultimately benefit the donor rather than the Organization are recorded as costs of direct donor benefits. All proceeds received in excess of the direct costs are recorded as gross profit on special events in the accompanying statement of activities and changes in net assets.

Donated materials and services – In September 2020, the FASB issued Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Organization implemented ASU 2020-07 during the year ended December 31, 2022 and presents contributed nonfinancial assets separately on the statement of activities and changes in net assets as in-kind contributions.

The Organization receives various in-kind contributions in the form of donated services and office space. Donated materials are recorded at their estimated fair value as of the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. In-kind contributions are valued using quoted prices of identical or similar services, rental space and products in the local market, which are considered Level 2 inputs under FASB ASC Topic 820, *Fair Value Measurements*.

(1) Operations and summary of significant accounting policies (continued)

The Organization received the following donated services and rent for the years ended December 31:

Contribution	Used For	2024	2023
Office space	Organization Operations	$ 918,166	$ 898,314
Food	Special event	7,476	372
Legal services	Research and Policy Work	-	2,321
		$ 925,642	$ 901,007

Property and equipment and related depreciation – Purchased property and equipment is valued at cost, and donated property and equipment is recorded at fair value at the date of gift to the Organization. Maintenance and repairs are charged to operations when incurred. Property and equipment in excess of $2,500 are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation or amortization account are relieved, and any gain or loss is included in operations. Depreciation and amortization of property and equipment is computed on a straight-line basis over the following estimated useful lives:

	Useful Life
Website and technology	3 years
Furniture and equipment	5 years
Leasehold Improvements	15 years

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases to net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with donor-imposed stipulations regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions absent donor stipulations regarding how long those donated assets must be maintained. The Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Impairment of long-lived assets – The Organization accounts for long-lived assets in accordance with the provisions of FASB ASC 360, *Property, Plant and Equipment*. FASB ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded for the years ended December 31, 2024 and 2023.

(1) Operations and summary of significant accounting policies (continued)

Functional expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets. The accompanying statements of functional expenses present the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the programs and support services benefited based on full-time equivalents, physical usage, and square footage. General and administrative expenses include those expenses that are not directly identifiable with any specific program but provide for the overall support and direction of the Organization.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and employee related expenses	Time Incurred
Depreciation, occupancy, office operations, and other operating expenses	Full Time Equivalent

Advertising – The Organization expenses advertising costs as they are incurred. Advertising expenses totaled $17,044 and $19,792 for the years ended December 31, 2024 and 2023, respectively.

Income tax status – The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and, accordingly, there is no provision for income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 of the Code and has been classified as an organization that is not a private foundation. Income determined to be unrelated business taxable income would be taxable. The Organization evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts.

The Organization’s federal Return of Organizations Exempt from Income Tax (“Form 990”) for 2021, 2022, and 2023 is subject to examination by the IRS, generally for three years after it is filed. As of the date of this report, the 2024 tax return has not yet been filed.

Reclassifications – Certain reclassifications have been made to the 2023 statement of functional expenses presentation to correspond to the current year’s format. Net assets, total expenses, and changes in net assets are unchanged due to these reclassifications.

Subsequent events – The Organization has evaluated subsequent events through August 13, 2025, which is the date the financial statements were available to be issued.

(2) Pledges receivable

Pledges receivable consist of balances due in less than one year as of December 31, 2024 and 2023.

Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. All pledges receivable are considered by management to be collectible in full and, accordingly, an allowance for uncollectable pledges receivable had not been provided as of December 31, 2024 and 2023.

As of December 31, 2024 and 2023, 91% and 100% of gross pledges receivable were due from four and three donors, respectively. As of December 31, 2024 and 2023, 11% and 26%, respectively, of total contributions came from one donor.

(3) Long-term debt

In 2020, the Organization received an Economic Injury Disaster Loan ("EIDL") issued by the U.S. Small Business Administration of $150,000. The purpose of the loan is to meet financial obligations and operating expenses that could have been met had the COVID-19 pandemic not occurred. The loan bears interest at 2.75% annually. Monthly payments were due beginning May 2022 in installments of $641 and the balance of principal and interest is due July 2050. In March 2022, the SBA announced that they were providing an additional 6-month deferment of principal and interest payments to EIDL borrowers. As a result, payments on the loan did not begin until November 2022. The loan is collateralized by substantially all the assets of the Organization. Interest expense incurred under the loan during 2024 and 2023 totaled $3,706 and $4,348, respectively.

Future maturities of the loan agreement as of December 31, 2024 are as follows:

Years Ending December 31:	
2025	3,625
2026	3,726
2027	3,830
2028	3,937
2029	4,046
Thereafter	130,836
	$ 150,000

(4) Net assets with donor restrictions

The Organization has net assets with donor restrictions which represent donations and grants to support specific projects that fall within the scope of the Organization's mission.

Net assets with donor restrictions were restricted for the following purposes as of December 31:

	2024	2023
Children's legal clinic	$ -	$ 198,749
Restricted for the passage of time only	425,000	100,000
Total net assets with donor restrictions	$ 425,000	$ 298,749

Net assets released from donor restrictions were as follows for the year ended December 31:

	2024	2023
Children's legal clinic	$ 198,749	$ 90,983
Passage of time	100,000	100,000
Total net assets released from restrictions	$ 298,749	$ 190,983

(5) Property and equipment

Property and equipment consist of the following at December 31:

	2024	2023
Cost or donated value:		
Furniture and equipment	$ 17,646	$ 18,404
Website and technology	43,890	43,890
Leasehold Improvements	75,685	75,685
Total cost or donated value	137,221	137,979
Accumulated depreciation	(58,358)	(38,329)
Net property and equipment	$ 78,863	$ 99,650

Depreciation expense charged to operations was $20,459 and $20,685 for the years ended December 31, 2024 and 2023, respectively.

(6) Related party transactions

Total contributions received from Board members was $145,981 and $269,197 for the years ended December 31, 2024 and 2023, respectively.

The Organization's donated use of office space is donated by a related party for Organizational operations on a month-to-month basis. The Organization recorded in-kind contribution and rental expense of $918,166 and $898,314 for the years ended December 31, 2024 and 2023.

(7) Liquidity and availability of resources

The Organization's financial assets available within one year of the statements of financial position date for general expenditures consist of the following:

	2024	2023
Cash and cash equivalents	$ 177,868	323,812
Pledges receivable	582,474	315,035
Total financial assets	760,342	638,847
Less:		
Restricted by donors with program purpose restrictions	-	(198,749)
Financial assets available to meet cash need for general expenditure within one year	$ 760,342	$ 440,098

The Organization monitors its cash flows to ensure the fulfillment of all obligations. The Organization's policy is to prepare a cash projection regularly to closely monitor the timing and flow of funds coming in through contributions to ensure the Organization will meet all general expenditures and payroll liabilities as they become due. The Organization currently has minimal debt obligations to meet in the next 12 months and has a goal to build a cash reserve of three months' worth of expenses.