

**PREVENT CHILD ABUSE ATHENS, INC.
D/B/A BRIGHTPATHS**

(A NONPROFIT ORGANIZATION)

FINANCIAL REPORT AND OTHER INFORMATION

FOR THE FISCAL YEARS ENDED

JUNE 30, 2023 AND 2022

**PREVENT CHILD ABUSE ATHENS, INC.
D/B/A BRIGHTPATHS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Prevent Child Abuse Athens, Inc. d/b/a Brightpaths

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Prevent Child Abuse Athens, Inc. d/b/a Brightpaths (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Prevent Child Abuse Athens, Inc. d/b/a Brightpaths as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the fiscal 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 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 Financial Statements section of our report. We are required to be independent of Prevent Child Abuse Athens, Inc. d/b/a Brightpaths and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' ability to continue as a going concern within one fiscal year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 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 Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' 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 basic financial statements taken as a whole. The accompanying schedule of schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the schedule of state awards expended are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of state awards expended are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' 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 Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' internal control over financial reporting and compliance.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
September 29, 2023

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 645,844	\$ 731,110
Investments	110,076	101,390
Receivables		
Grants	243,825	159,254
Allocations	30,000	28,958
Prepaid items	<u>35,351</u>	<u>16,221</u>
Total Current Assets	1,065,096	1,036,933
NONCURRENT ASSETS		
Property and equipment, net	<u>801,919</u>	<u>746,461</u>
TOTAL ASSETS	<u>\$ 1,867,015</u>	<u>\$ 1,783,394</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Account payable	\$ -	\$ 8,658
Payroll liabilities	26,424	58,054
Compensated absences	46,030	41,597
Due to other agencies	-	2,278
Notes payable, current	<u>14,226</u>	<u>13,601</u>
Total Current Liabilities	86,680	124,188
LONG-TERM LIABILITIES		
Notes payable, noncurrent	<u>397,174</u>	<u>411,399</u>
Total Liabilities	<u>483,854</u>	<u>535,587</u>
NET ASSETS		
With donor restrictions	30,000	28,958
Without donor restrictions	<u>1,353,161</u>	<u>1,218,849</u>
Total Net Assets	<u>1,383,161</u>	<u>1,247,807</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,867,015</u>	<u>\$ 1,783,394</u>

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>2023</u>			
	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Totals</u>	<u>2022 Totals</u>
SUPPORT AND REVENUE				
Contributions	\$ 180,856	\$ -	\$ 180,856	\$ 136,060
Grants	1,058,725	-	1,058,725	748,035
United Way allocations	-	60,521	60,521	58,165
Special events				
Gross revenue	\$ 220,291			
Costs of direct benefits to donors	<u>(28,917)</u>	191,374	191,374	159,826
Investment revenue	11,439	-	11,439	(17,496)
Employee retention credit	107,292	-	107,292	-
Gain on sale of property and equipment	-	-	-	<u>226,987</u>
Total support and revenue	1,549,686	60,521	1,610,207	1,311,577
Net assets released from restrictions	<u>59,479</u>	<u>(59,479)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT, REVENUE, AND RECLASSIFICATIONS	<u>1,609,165</u>	<u>1,042</u>	<u>1,610,207</u>	<u>1,311,577</u>
EXPENSES				
Program services				
Healthy Families	1,025,147	-	1,025,147	727,462
First Steps	149,167	-	149,167	105,090
Parenting Classes	117,571	-	117,571	94,924
Community Education	15,903	-	15,903	13,839
Supporting services				
General Administration	101,595	-	101,595	73,697
Fundraising	65,470	-	65,470	47,078
TOTAL EXPENSES	<u>1,474,853</u>	<u>-</u>	<u>1,474,853</u>	<u>1,062,090</u>
INCREASE (DECREASE) IN NET ASSETS	134,312	1,042	135,354	249,487
NET ASSETS, JULY 1	<u>1,218,849</u>	<u>28,958</u>	<u>1,247,807</u>	<u>998,320</u>
NET ASSETS, JUNE 30	<u>\$ 1,353,161</u>	<u>\$ 30,000</u>	<u>\$ 1,383,161</u>	<u>\$ 1,247,807</u>

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
SUPPORT AND REVENUE			
Contributions	\$ 136,060	\$ -	\$ 136,060
Grants	748,035	-	748,035
United Way allocations	-	58,165	58,165
Special events			
Gross revenue	\$ 187,588		
Costs of direct benefit to donors	<u>(27,762)</u>	-	159,826
Investment revenue	(17,496)	-	(17,496)
Gain on sale of property and equipment	<u>226,987</u>	<u>-</u>	<u>226,987</u>
Total support and revenue	1,253,412	58,165	1,311,577
Net assets released from restrictions	<u>51,707</u>	<u>(51,707)</u>	<u>-</u>
TOTAL SUPPORT, REVENUE, AND RECLASSIFICATIONS	<u>1,305,119</u>	<u>6,458</u>	<u>1,311,577</u>
EXPENSES			
Program services		-	
Healthy Families	727,462	-	727,462
First Steps	105,090	-	105,090
Parenting Classes	94,924	-	94,924
Community Education	13,839	-	13,839
Supporting services		-	
General Administration	73,697	-	73,697
Fundraising	<u>47,078</u>	<u>-</u>	<u>47,078</u>
TOTAL EXPENSES	<u>1,062,090</u>	<u>-</u>	<u>1,062,090</u>
INCREASE (DECREASE) IN NET ASSETS	243,029	6,458	249,487
NET ASSETS, JULY 1	<u>975,820</u>	<u>22,500</u>	<u>998,320</u>
NET ASSETS, JUNE 30	<u>\$ 1,218,849</u>	<u>\$ 28,958</u>	<u>\$ 1,247,807</u>

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 135,354	\$ 249,487
Adjustments to reconcile increase in net income to net cash provided by operating activities:		
Depreciation	21,464	9,074
Unrealized (gain) loss on investments	(7,657)	20,675
(Gain) loss on sale of property and equipment	-	(226,987)
(Increase) decrease in operating assets		
Grants receivable	(84,571)	(43,709)
Allocations receivable	(1,042)	(6,458)
Prepaid items	(19,130)	2,441
Increase (decrease) in operating liabilities		
Accounts payable	(8,658)	8,462
Accrued payroll liabilities	(27,197)	31,274
Due to other agencies	(2,278)	(423)
Net Cash Flows Provided (Used) By Operations	<u>6,285</u>	<u>43,836</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(76,922)	(407,076)
Purchase of investments	(2,590)	(1,779)
Proceeds from sale of investments	1,561	1,156
Net Cash Provided (used) By Investing Activities	<u>(77,951)</u>	<u>(407,699)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	-	425,000
Repayment of notes payable	(13,600)	-
Net Cash Provided (Used) By Financing Activities	<u>(13,600)</u>	<u>425,000</u>
Net Increase (Decrease) in Cash	(85,266)	61,137
CASH, JULY 1	<u>731,110</u>	<u>669,973</u>
CASH, JUNE 30	<u>\$ 645,844</u>	<u>\$ 731,110</u>

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>Program Services</u>				<u>Supporting Services</u>		<u>2023 Totals</u>	<u>2022 Totals</u>
	<u>Healthy Families</u>	<u>First Steps</u>	<u>Parenting Classes</u>	<u>Community Education</u>	<u>General Administration</u>	<u>Fundraising</u>		
Compensation and related expenses								
Compensation	\$ 650,871	\$ 100,058	\$ 69,316	\$ 12,848	\$ 50,422	\$ 20,989	\$ 904,504	\$ 720,227
Employee benefits	57,392	5,327	2,053	490	13,485	2,113	80,860	70,084
Payroll taxes	51,748	7,624	3,610	1,334	3,444	2,018	69,778	53,418
Total compensation expenses	<u>760,011</u>	<u>113,009</u>	<u>74,979</u>	<u>14,672</u>	<u>67,351</u>	<u>25,120</u>	<u>1,055,142</u>	<u>843,729</u>
Occupancy								
Utilities	7,241	1,322	712	-	509	305	10,089	3,228
Insurance	2,666	1,350	727	-	519	312	5,574	9,392
Total occupancy expenses	<u>9,907</u>	<u>2,672</u>	<u>1,439</u>	<u>-</u>	<u>1,028</u>	<u>617</u>	<u>15,663</u>	<u>12,620</u>
Administration								
Postage and printing	794	143	75	-	266	130	1,408	1,947
Supplies	75,880	9,926	26,945	479	3,099	27,886	144,215	96,471
Professional fees	17,280	3,120	1,680	-	23,339	720	46,139	21,419
Total administration expenses	<u>93,954</u>	<u>13,189</u>	<u>28,700</u>	<u>479</u>	<u>26,704</u>	<u>28,736</u>	<u>191,762</u>	<u>119,837</u>
Advertising	2,979	-	287	532	-	2,658	6,456	4,505
Repairs and maintenance	57,610	10,810	5,881	-	3,966	2,566	80,833	31,297
Telephone	21,495	3,368	1,881	220	1,013	583	28,560	13,242
Travel	46,317	2,556	2,486	-	163	1,500	53,022	26,898
Depreciation	19,067	1,113	599	-	428	257	21,464	9,074
Interest	13,571	2,450	1,319	-	942	565	18,847	-
Other	236	-	-	-	-	2,868	3,104	888
Total functional expenses	<u>\$ 1,025,147</u>	<u>\$ 149,167</u>	<u>\$ 117,571</u>	<u>\$ 15,903</u>	<u>\$ 101,595</u>	<u>\$ 65,470</u>	<u>\$ 1,474,853</u>	<u>\$ 1,062,090</u>

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

**PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Program Services				Supporting Services		Totals
	Healthy Families	First Steps	Parenting Classes	Community Education	General Administration	Fundraising	
Compensation and related expenses							
Compensation	\$ 505,530	\$ 72,700	\$ 64,583	\$ 11,535	\$ 40,431	\$ 25,448	\$ 720,227
Employee benefits	44,234	9,748	1,962	431	11,769	1,940	70,084
Payroll taxes	39,220	5,447	3,382	1,025	2,615	1,729	53,418
Total compensation expenses	<u>588,984</u>	<u>87,895</u>	<u>69,927</u>	<u>12,991</u>	<u>54,815</u>	<u>29,117</u>	<u>843,729</u>
Occupancy							
Utilities	2,324	420	226	-	161	97	3,228
Insurance	6,762	1,221	657	-	470	282	9,392
Total occupancy expenses	<u>9,086</u>	<u>1,641</u>	<u>883</u>	<u>-</u>	<u>631</u>	<u>379</u>	<u>12,620</u>
Administration							
Postage and printing	1,016	178	153	-	311	289	1,947
Supplies	54,678	4,162	18,168	134	4,488	14,841	96,471
Professional fees	8,136	1,469	791	-	10,684	339	21,419
Total administration expenses	<u>63,830</u>	<u>5,809</u>	<u>19,112</u>	<u>134</u>	<u>15,483</u>	<u>15,469</u>	<u>119,837</u>
Advertising	3,399	-	330	614	-	162	4,505
Repairs and maintenance	22,392	4,128	2,223	-	1,601	953	31,297
Telephone	9,215	1,768	1,195	100	675	289	13,242
Travel	23,443	2,736	655	-	64	-	26,898
Depreciation	6,677	1,113	599	-	428	257	9,074
Other	436	-	-	-	-	452	888
Total functional expenses	<u>\$ 727,462</u>	<u>\$ 105,090</u>	<u>\$ 94,924</u>	<u>\$ 13,839</u>	<u>\$ 73,697</u>	<u>\$ 47,078</u>	<u>\$ 1,062,090</u>

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

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Prevent Child Abuse Athens, Inc. d/b/a Brightpaths (the "Organization"), is a non-profit organization incorporated under the laws of the State of Georgia. The Organization was formed in 1986 to provide leadership, support, and coordination for the prevention of child abuse and neglect in Clarke, Oconee, Oglethorpe, Jackson, and Madison counties.

Basis of Accounting

The accompanying financial statements of Prevent Child Abuse Athens, Inc. d/b/a Brightpaths have been prepared using the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC 958, *Financial Statements for Not-for-Profit Organizations*, as updated by Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. These standards require classification of net assets and revenue, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of these two classes of net assets, with donor restrictions and without donor restrictions, be displayed in the statement of activities and changes in net assets. The accounting standards provide that if a governing body of an organization has the ability to remove a donor restriction, the contributions should be classified as net assets without donor restrictions.

Description of Programs

The Organization's programs are supported by the Governor's Office of Children and Families through federal funds and state appropriations from the Georgia General Assembly. The Organization operated the following programs during the fiscal year:

Healthy Families - The program provides in-home visits to overburdened, parents of newborns by family support workers, who offer support, parenting education, and information on community resources for up to 4 years after birth of a child. Potential clients are referred through multiple community partners.

First Steps - Trained First Steps volunteers are matched with new parents to give support, parenting education, and referrals to community resources in the first three months of parenting. Community and self-referrals are welcome..

Parenting Classes - The program offers parenting classes to community members in a variety of community settings. The goals of the program are to improve family communication and to teach parents about child development and more effective, nonphysical parenting techniques.

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs (Continued)

Community Education - The program promotes public awareness of child abuse prevention through media campaigns, special events, and presentations to community groups. The emphasis is on successful parenting, and on preventing, recognizing, and reporting child abuse. During regular business hours, a confidential telephone service provides information and guidance regarding questions caregivers may have about their child's development or behavior.

Income Taxes

The Internal Revenue Service has ruled that the Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from state income tax.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the accompanying statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. The Organization holds its investments at Athens Area Community Foundation and are pooled with other organization's funds and invested in diversified portfolios of marketable equity and fixed income securities.

Generally accepted accounting principles provide a framework for measuring the fair value of investments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Assets that are required to be recorded at fair value in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1 - Unadjusted quoted market prices for identical assets as of the measurement date.

Level 2 - Significant other observable inputs other than quoted market prices.

Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are carried at cost or, if donated, at their approximate fair value at the date of donation. Interest expense incurred in direct relation to construction projects is capitalized and recorded in the cost of the constructed asset. The Organization has adopted a policy to capitalize assets with a historical cost greater than \$500 and a useful life greater than 3 years. 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 over the following years:

Furniture and office equipment	5-7 years
Building	39 years

Use of Estimates

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

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the donor makes the promise to give and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions

The Organization follows the recommendations of the FASB ASC 958, *Financial Statements for Not-for-Profit Organizations*, as updated by ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, whereby contributions received are recorded as without donor restriction, or with donor restriction depending on the existence and/or nature of donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of time or purpose restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as support without donor restrictions.

Deferred Revenue

Deferred revenue is recognized when cash advances exceed revenues earned against such advances.

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Organization has adopted the policy to permit employees to accumulate earned but unused vacation and sick leave benefits, which will be paid to the employee upon separation. Employees may accumulate up to twice the accrual rate of vacation benefits. Currently, permanent employees working 20 hours or more per week earn from 96 to 176 hours per year, based on years of service. The Organization also allows employees to accumulate earned but unused sick leave benefits; the maximum accrual is 192 hours and is based on twice the annual accrual rate. However, employees will not be paid for any unused sick leave upon separation. Therefore, no liability is reported for accumulated sick leave benefits due to the non-vesting nature of the benefit, and any amount would be undeterminable.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right-of-return - are not recognized until the conditions on which they depend have been met. There are currently no conditional promises to give to report.

The Organization recognizes special events revenue equal to the fair value of direct benefits to donors, and contribution income from the excess received when the event takes place.

The Organization recognizes revenue from grants and allocations when the performance obligation of the agreement is met. These typically are when the related expense occurs.

The Organization follows FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides guidance on revenue recognition, using the modified retrospective method. ASU 2014-09 is based on the principle that revenue from contracts with customers should be recognized when an entity transfers good or services to the customer at the amount the entity expects to be entitled to receive from the customer. The following five step approach is provided for recognizing and measuring revenue in order to adhere to the key principles established:

1. Identify customer contracts.
2. Identify performance obligations.
3. Determine the price of the transaction.
4. Allocate the transaction price to each performance obligation.
5. Recognize revenue as performance obligations are satisfied.

The Organization follows FASB ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. ASU 2018-08 requires that an entity determine whether or not a contribution is conditional on the basis of whether or not the underlying agreement includes a barrier that must be overcome, and either a right of return of the assets transferred or a right of release of the donor's obligation to transfer assets. The presence of both of these elements would represent a condition for the contribution.

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Directly identifiable expenses are charged to programs and supporting functions. The expenses that are allocated include depreciation, interest, occupancy and administration, insurance, repairs and maintenance, and travel, as well as salaries and benefits allocated on the basis of time and effort. Management and general expenses include those expenses that provide for the overall support and direction of the Organization. For the fiscal years ended June 30, 2023 and 2022, indirect expenses have been allocated on the basis of personnel costs.

Subsequent Events

Management has evaluated all events or transactions that occurred after June 30, 2023 through September 29, 2023, the date the financial statements were available to be issued. No events have occurred during this period that would require adjustment to or disclosure in the accompanying financial statements.

NOTE 2 - LIQUIDITY AND AVAILABLE RESOURCES

Financial assets available within one year for general expenses are as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Cash	\$ 645,844	\$ 731,110
Investments	110,076	101,390
Receivables		
Grants	243,825	159,254
Allocations	30,000	28,958
	<u>\$ 1,029,745</u>	<u>\$ 1,020,712</u>

The Organization expects to have these liquid assets available for use on general expenses in the next fiscal year.

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 3 - INVESTMENTS

Investments are presented in the financial statements at fair value using level 1 fair value measures (quoted prices in active markets). Investments consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Equities		
Domestic	\$ 65,813	\$ 58,256
International	94	314
Fixed Income		
Domestic	21,239	29,246
International	11,665	3,506
Cash and Cash Alternatives	11,265	10,068
	<u>\$ 110,076</u>	<u>\$ 101,390</u>

The following schedule summarizes the investment return for the fiscal year ended June 30:

	<u>2023</u>	<u>2022</u>
Dividend income	\$ 1,561	\$ 1,156
Unrealized gain (loss)	7,657	(20,675)
Realized gain (loss)	1,425	1,282
Interest income	796	741
	<u>\$ 11,439</u>	<u>\$ (17,496)</u>

NOTE 4 - GRANTS RECEIVABLE

Grants receivable are as follows at June 30:

	<u>2023</u>	<u>2022</u>
Georgia Department of Human Resources Division of Family and Children Services	\$ 52,211	\$ 44,571
Georgia Department of Public Health	191,614	114,683
	<u>\$ 243,825</u>	<u>\$ 159,254</u>

NOTE 5 - ALLOCATIONS RECEIVABLE

The United Way of Northeast Georgia committed \$60,521 and \$58,165 for January through December 2023 and 2022, respectively. The remaining balance of the commitments is recorded as receivable in the amount of \$30,000 and \$28,958 at June 30, 2023 and 2022, respectively.

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 6 - PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 256,000	\$ 256,000
Building	552,455	477,862
Furniture and fixtures	13,565	11,236
Office equipment	<u>5,960</u>	<u>5,960</u>
	827,980	751,058
Less: Accumulated depreciation	<u>(26,061)</u>	<u>(4,597)</u>
Property and equipment, net	<u>\$ 801,919</u>	<u>\$ 746,461</u>

Depreciation expense for fiscal years 2023 and 2022 was \$21,464 and \$9,074, respectively.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of contributions restricted for the following purposes at June 30:

	<u>2023</u>	<u>2022</u>
United Way calendar year pledge for July - December	<u>\$ 30,000</u>	<u>\$ 28,958</u>

NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets in the following amounts were released from restriction by satisfying the restricted purpose during the fiscal year ended June 30:

	<u>2023</u>	<u>2022</u>
United Way calendar year pledge for July - December 2021	\$ -	\$ 22,500
United Way calendar year pledge for July - December 2022	28,958	-
United Way calendar year pledge for January - June 2022	-	29,207
United Way calendar year pledge for January - June 2023	<u>30,521</u>	<u>-</u>
Net assets released from restrictions	<u>\$ 59,479</u>	<u>\$ 51,707</u>

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 9 - CONCENTRATION OF CREDIT RISK

Concentration of Revenues

A large portion of the Organization's total support and revenue is provided by the following sources:

	2023		2022	
	Amount	Percentage	Amount	Percentage
Georgia Department of Public Health	\$ 684,565	42.51 %	\$ 500,709	38.18 %
Clarke County Department of Family and Children Services Grant	327,046	20.31 %	209,493	15.97 %
Starry, Starry Night Special Event	220,291	13.68 %	187,588	14.30 %
Internal Revenue Service - Employee Retention Credit	107,292	6.66 %	-	-
United Way	60,521	3.76 %	58,165	4.43 %
Georgia Department of Health and Human Services	27,675	1.72 %	24,123	1.84 %
Georgia Department of Human Resources Division of Family and Children Services	19,440	1.21 %	13,710	1.05 %

Concentration of Cash Balance

The Organization maintains cash and cash equivalent balances at a financial institute in Athens, Georgia. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At the end of the current fiscal year, the Organization's uninsured balances totaled \$414,818.

Concentration of Receivables

Approximately 100% of the balances are receivable from 2 different agencies at June 30, 2023 and 2022.

NOTE 10 - NOTES PAYABLE

Long-term notes payable at June 30, 2023 and 2022 consists of a note payable to Synovus Bank, interest at 4.50%, due in monthly installments of \$2,704, through May 2027, with the remaining principal balance due June 2027. The note payable is secured by real property. The note was acquired by the Organization to finance the purchase of land and building, located at 1450 Barnett Shoals Road, Athens, Georgia 30605. At June 30, 2023 and 2022, the outstanding balance of the note is \$411,400 and \$425,000, respectively.

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 10 - NOTES PAYABLE (CONTINUED)

Maturities of long-term notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 14,226	\$ 18,222	\$ 32,448
2025	14,879	17,569	32,448
2026	15,563	16,885	32,448
2027	366,732	16,169	382,901
	<u>\$ 411,400</u>	<u>\$ 68,845</u>	<u>\$ 480,245</u>

NOTE 11 - FUNCTIONAL EXPENSES BY PERCENTAGE

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Healthy Families	\$ 1,025,147	69.51 %	\$ 727,462	68.49 %
First Steps	149,167	10.11 %	105,090	9.89 %
Parenting Classes	117,571	7.97 %	94,924	8.94 %
Community Education	15,903	1.08 %	13,839	1.30 %
General Administration	101,595	6.89 %	73,697	6.94 %
Fundraising	65,470	4.44 %	47,078	4.43 %

NOTE 12 - UNCERTAIN TAX POSITIONS

Effective July 1, 2009, the Organization implemented the new accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. The guidance prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required before being recognized in the financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. At the end of the current fiscal year, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

With few exceptions, the Organization is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for year before fiscal year 2020.

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 13 - RELATED PARTY TRANSACTIONS

On June 15, 2022, the Organization completed a transaction in which it sold a building located at 1551 Jennings Mill Road, Watkinsville, GA 30677 to Clover Street Properties, LLC. Two of the members of Clover Street Properties, LLC are related to the Executive Director/CEO of Prevent Child Abuse Athens, Inc. d/b/a Brightpaths. The sale price of the building was \$360,000 and resulted in a gain on the sale of property and equipment in the amount of \$226,987. The Organization hired a real estate agent to represent them as the seller in the transaction. The agent determined the list price of the building using comparable properties that sold within the previous calendar year. The transaction appears to have been completed at arms-length and was recorded in accordance with accounting principles generally accepted in the United States of America. At the end of the current fiscal year, there were no determinable amounts due to or from the related parties and no outstanding commitments or contingencies related to the sale of the property.

On June 15, 2022, the Organization completed a transaction in which it purchased a building and land located at 1450 Barnett Shoals Road, Athens, GA 30605. Prevent Child Abuse Athens, Inc. d/b/a Brightpaths financed the purchase with cash received from the sale of another property and with a mortgage obtained from Athens First Bank and Trust. A member of the Organization's Board of Directors during the current fiscal year, serves as the Vice President of the bank and originated the mortgage loan. The amount of the mortgage was \$425,000. For additional information on the mortgage loan, see Note 10, Notes Payable. The transaction appears to have been completed at arms-length and was recorded in accordance with accounting principles generally accepted in the United States of America. At the end of the current fiscal year, there were no determinable amounts due to or from the related parties and no outstanding commitments or contingencies related to the purchase of the property.

NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS

The Organization implemented FASB 2016-02 Topic 842, *Leases*, effective for the Organization's current fiscal year. The requirements of this standard are effective for periods beginning after December 15, 2021. The new guidance replaced existing lease accounting guidance. The new guidance is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet for all leases with the terms exceeding twelve months. The standard requires applying modified retrospective approach at the beginning of the earliest period presented with optional practical expedients. This pronouncement had no effect on the net assets of the Organization.

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
Prevent Child Abuse Athens, Inc.

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 Prevent Child Abuse Athens, Inc., d/b/a Brightpaths (a nonprofit organization), which comprise the consolidated statements of the financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, cash flows, and functional expenses for the fiscal years then ended, and the related notes to the consolidated financial statements, and have issued thereon dated September 29, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in the 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, 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 all internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
September 29, 2023

**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
Prevent Child Abuse Athens, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the fiscal year ended June 30, 2023. The Organization'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, Prevent Child Abuse Athens, Inc. d/b/a Brightpaths complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 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.

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 grants applicable to Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' 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 Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' 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 Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *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 Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' internal control 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 Prevent Child Abuse Athens, Inc. d/b/a Brightpaths' 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, significant audit findings, and certain internal control-related matters 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 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 over compliance* is a deficiency, or 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 described above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

The purpose of this report of 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.

Rushton, LLC

Certified Public Accountants
Gainesville, Georgia
September 29, 2023

**PREVENT CHILD ABUSE ATHENS, INC
D/B/A BRIGHTPATHS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass- Through Number</u>	<u>Expenditures</u>
<u>Department of Health and Human Services</u>			
Passed through Georgia Department of Health and Human Services:			
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	90ZB0010-01-00	\$ 27,675
Passed through Clarke County DFCS:			
MaryLee Allen Promoting Safe and Stable Families Cluster			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	PSSF 22-016	17,685
		PSSF 22-015	20,352
		42700-040C-PSSF-23-107	59,177
		42700-040C-PSSF-23-108	57,543
Total MaryLee Allen Promoting Safe and Stable Families Cluster			<u>154,757</u>
Passed through Georgia Department of Health and Human Services Division of Children and Family Services:			
Community-Based Child Abuse Prevention Grants	93.590	42700-040-0000103922	53,224
		42700-040-0000107926	89,065
			<u>142,289</u>
Child Abuse and Neglect State Grants	93.669	40500-042-22224368	208,649
		42700-040-0000107875	12,300
			<u>220,949</u>
Passed through Georgia Department of Public Health:			
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	40500-042-20182547	157,789
		40500-042-23234448	277,075
		40500-042-22223954	48,191
			<u>483,055</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,028,725</u></u>

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal grant activity of Prevent Child Abuse Athens, Inc. d/b/a Brightpaths, under programs for the federal government for the fiscal year ended June 30, 2023. The information in this schedule is presented in accordance with 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). Because this schedule presents only a selected portion of the operations of Prevent Child Abuse Athens, Inc. d/b/a Brightpaths, it is not intended to and does not present the financial position, changes in net position, or cash flows of Prevent Child Abuse Athens, Inc. d/b/a Brightpaths.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - DE MINIMIS INDIRECT COST RATE

Prevent Child Abuse Athens, Inc. d/b/a Brightpaths has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - PAYMENTS TO SUBRECIPIENTS

For the current fiscal year, Prevent Child Abuse Athens, Inc. d/b/a Brightpaths did not pass federal funds through to subrecipients.

**PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SUMMARY OF THE AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None reported
Significant deficiency(ies) identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	None reported

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiency(ies) identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
93.870 Maternal, Infant and Early Childhood Home Visiting Grant	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	No

**PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENT FINDINGS

Current Year Audit Findings

2023-001

Condition: Personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the Organization relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for not-for-profits of similar size and structure to Prevent Child Abuse Athens, Inc. d/b/a Brightpaths. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the Executive Director and Administrative Assistant are not trained to perform the daily accounting functions, but that the Organization has elected as a cost benefit to outsource this expertise to their auditors.

Criteria: Effective internal control requires the Organization accept responsibility and understanding of the audited financial report.

Effect: Failure to understand the financial statements may lead to material misstatements.

Cause: Personnel do not have adequate training in application of generally accepted accounting principles and preparation of financial statements.

Recommendation: Organization personnel should continue to receive training in the identification and application of generally accepted accounting principles and the preparation of the Organization's financial statements.

Management Response: Management concurs with this finding. The Organization has determined that the cost of training Organization personnel to fully perform the duties of a financial director as it related to GAAP financial statements is prohibitive. The governing body and management have determined that personnel should receive training to the extent that is economically feasible and to continue to rely on the technical assistance of the external auditor or other qualified professional when necessary. This action was taken immediately upon receipt of the comment from our auditors.

Prior Year Audit Findings Follow-Ups

2022-001

Condition: Personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the Organization relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for not-for-profits of similar size and structure to Prevent Child Abuse Athens, Inc. d/b/a Brightpaths. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the Executive Director and Administrative Assistant are not trained to perform the daily accounting functions, but that the Organization has elected as a cost benefit to outsource this expertise to their auditors.

Not corrected

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

PREVENT CHILD ABUSE ATHENS
D/B/A BRIGHTPATHS
SCHEDULE OF STATE AWARDS EXPENDED
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Grantor/Program Title</u>	<u>Contract Number</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Due from Grantor</u>
Georgia Department of Human Resources Division of Family and Children Services				
2022 Family Support Project	553-2490	\$ 80,000	\$ 17,685	\$ -
2022 Family Support Project	553-3956	68,750	20,352	-
2023 Family Support Project	553-2490	75,000	59,177	-
2023 Family Support Project	553-3956	63,750	57,543	-
2022 First Steps	42700-040-0000103916	15,000	7,140	-
2023 First Steps	42700-040-0000107875	15,000	12,300	-
2023 CANAP	42700-040-0000103922	150,000	83,224	-
2023 CANAP	42700-040-0000107926	150,000	89,065	-
Georgia Department of Public Health				
2022 Home Visitation	40500-042-20182547	471,340	157,789	-
2023 Home Visitation	40500-042-23234448	471,340	277,075	243,825
2023 CAPTA	40500-042-22224368	200,000	189,607	-
2022 CAPTA	40500-042-22224368	200,000	11,902	-
2023 ARPA	40500-042-22223954	32,000	9,913	-
2022 ARPA	40500-042-22223954	47,145	38,278	-
Department of Health and Human Services				
2020 Healthy Marriage	90ZB0010-01-00	91,350	27,675	-