



**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center

We have reviewed the accompanying financial statements of Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center (a Michigan Nonprofit Organization referred to as the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

***Management's Responsibility 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; this includes 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.

***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Gabridge & Company, PLC  
Grand Rapids, MI  
July 31, 2025

## **Basic Financial Statements**

**Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center**  
**Statement of Financial Position**  
**December 31, 2024**

	<u>2024</u>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 47,844
Grants receivable	44,886
Prepaid expenses	5,264
<b>Total Current Assets</b>	<u>97,994</u>
<i>Noncurrent Assts</i>	
Property, furniture, and equipment, net of depreciation	393,307
<b>Total Assets</b>	<u>\$ 491,301</u>
<b>LIABILITIES AND NET ASSETS</b>	
<i>Current Liabilities</i>	
Accrued and other liabilities	\$ 28,227
<b>Total Current Liabilities</b>	<u>28,227</u>
<b>NET ASSETS</b>	
Without donor restrictions	463,074
With Donor Restrictions	-
<b>Total Net Assets</b>	<u>463,074</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 491,301</u>

**Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center**  
**Statement of Activities**  
**For the Year Ended December 31, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, Gains, and Other Support</b>			
<b>Private Gifts and Pledges</b>			
Cash contributions	\$ 57,663	\$ -	\$ 57,663
In-kind contributions	19,429	-	19,429
Grant income	531,725	-	531,725
Fundraising events			
Candle project	2,997	-	2,997
Champions for children	9,113	-	9,113
Golf events	30,558	-	30,558
Letter writing campaign	22,125	-	22,125
No shave November	825	-	825
Raffle and dinner auction	30,726	-	30,726
Other	6,770	-	6,770
Interest income	4,462	-	4,462
Other income	4,000	-	4,000
Net assets released from restrictions:			
Satisfaction of purpose restrictions	-	-	-
<b>Total Revenue, Gains, and Other Support</b>	<u>720,393</u>	<u>-</u>	<u>720,393</u>
<b>Expenses</b>			
Program Services			
Child advocacy center	579,082	-	579,082
Supporting Services:			
Management and general	47,624	-	47,624
Fundraising	26,197	-	26,197
<b>Total Expenses</b>	<u>652,903</u>	<u>-</u>	<u>652,903</u>
<b>Change in Net Assets</b>	<u>67,490</u>	<u>-</u>	<u>67,490</u>
<i>Net Assets at Beginning of Period</i>	<u>395,584</u>	<u>-</u>	<u>395,584</u>
<b>Net Assets at End of Period</b>	<u><b>\$ 463,074</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 463,074</b></u>

**Ionia Montcalm Secure and Friendly Environmental Advocacy Center**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2024**

	<b>2024</b>
<b>Cash Flows From Operating Activities</b>	
Increase in Net Assets	\$ 67,490
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	24,241
Amortization (a component of occupancy and lease expense)	11,652
Changes in Operating Assets and Liabilities:	
Grants receivable	15,358
Prepaid expenses	(872)
Accrued and other liabilities	(6,633)
<b><i>Net Cash Provided by Operating Activities</i></b>	<b>111,236</b>
<b>Cash Flows From Investing Activities</b>	
Purchase of building	(270,409)
<b><i>Net Cash Used by Investing Activities</i></b>	<b>(270,409)</b>
<b>Cash Flows From Financing Activities</b>	
Payments on operating lease liability	(7,751)
<b><i>Net Cash Used by Financing Activities</i></b>	<b>(7,751)</b>
Net Decrease in Cash and Cash Equivalents	(166,924)
<i>Cash and Cash Equivalents at Beginning of Period</i>	214,768
<b><i>Cash and Cash Equivalents at End of Period</i></b>	<b>\$ 47,844</b>
 <b>Supplemental Disclosure</b>	
Right-of-use asset amortized under operating lease:	\$ 11,652

**Ionía Montcalm Secure and Friendly Environmental Child Advocacy Center**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2024**

		<u>Supporting Services</u>		
	<b>Program Expenses</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Advertising	\$ -	\$ 463	\$ -	\$ 463
Occupancy and lease expense	9,242	9,242	-	18,484
Canine advocate	-	1,153	-	1,153
Conferences and meetings	21,328	-	-	21,328
Depreciation expense	12,121	12,120	-	24,241
Dues and memberships	86	700	-	786
Employee health insurance and benefits	28,240	-	-	28,240
Fundraising costs	-	-	26,197	26,197
Insurance	-	12,357	-	12,357
Meals and entertainment	-	870	-	870
Mileage	781	2,073	-	2,854
Office supplies	1,453	49	-	1,502
Payroll taxes	35,982	-	-	35,982
Postage	265	90	-	355
Prevention program expenses	2,873	-	-	2,873
Printing and copying	6,847	140	-	6,987
Professional services	6,911	3,879	-	10,790
Registration fees	1,846	657	-	2,503
Salaries and wages	411,429	-	-	411,429
Service and bank charges	51	716	-	767
Software fees	8,188	-	-	8,188
Supplies *	31,439	2,035	-	33,474
Telephone	-	1,080	-	1,080
<b>Total Expenses</b>	<b>\$ 579,082</b>	<b>\$ 47,624</b>	<b>\$ 26,197</b>	<b>\$ 652,903</b>

\* Includes \$19,429 of in-kind contributions



## **Notes to the Financial Statements**

# Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center

## Notes to the Financial Statements

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### **Note 1 - Nature of Organization**

#### ***Nature of Activities***

The Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center (the “Organization” or “CAC”) is a nonprofit organization whose mission is to protect children from abuse by providing prevention education and coordinating multi-disciplinary investigation, assessment, and treatment of child abuse in an environment that is child-sensitive, supportive, and safe. The Organization generates revenue primarily from grants, donations, and fundraising activities.

#### ***Basis of Presentation***

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Organization follows the guidance in FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, including ASC 958-205 and ASC 958-605.

#### ***Net Asset Classifications***

Net assets and changes therein are classified as:

- ***Net Assets Without Donor Restrictions*** – Not subject to donor-imposed restrictions and available for use at the discretion of the Organization’s management and board.
- ***Net Assets With Donor Restrictions*** – Subject to donor-imposed restrictions that may be time- or purpose-restricted, or required to be maintained in perpetuity. When restrictions expire, net assets are reclassified to net assets without donor restrictions.

#### ***Revenue Recognition***

The Organization recognizes revenue in accordance with ASC 958-605:

- ***Grants and Contributions*** – Recognized as revenue when received or unconditionally promised. Conditional contributions are not recognized until conditions are substantially met or explicitly waived. Cost-reimbursement grants are recognized as revenue as eligible expenses are incurred.
- ***Fundraising Revenue*** – Special event revenue is recognized when the event occurs. Amounts received in advance are recorded as deferred revenue. Contributions associated with fundraising follow the contribution recognition policy above.

# **Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center**

## **Notes to the Financial Statements**

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- ***In-kind Contributions*** – Donated goods and services are recorded at fair value if they meet recognition criteria under GAAP (e.g., create or enhance nonfinancial assets or require specialized skills). These are reported as both revenue and expense or asset.
  - ***Other Income*** – Miscellaneous revenue (e.g., interest) is recognized when earned and measurable.

### ***Expense Recognition***

Expenses are recorded when incurred. Where applicable, costs are allocated among program services, general and administrative activities, and fundraising based on reasonable estimates of staff time and other relevant allocation bases. Expenses are presented as decreases in net assets without donor restrictions.

### ***Net Assets Released from Restrictions***

When donor-imposed restrictions are satisfied, net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as “net assets released from restrictions.”

### ***Cash and Cash Equivalents***

Includes checking accounts and certificates of deposit with original maturities of three months or less. These accounts may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

### ***Grants Receivable***

Consists of amounts committed or awarded but not received as of year-end. Grants receivable are recognized when awarded and are expected to be collected within one year. Management evaluates collectibility and has determined no allowance is necessary as of December 31, 2024.

### ***Prepaid Expenses***

Expenses paid in advance of their applicable period are recorded as assets. As of December 31, 2024, prepaid expenses totaled \$5,264, consisting entirely of prepaid insurance.

### ***Property and Equipment***

Property and equipment are recorded at cost, or if donated, at fair value at the date of donation. The Organization capitalizes purchases of \$5,000 or more with a useful life exceeding one year. Routine repairs are expensed as incurred. Depreciation is computed using the straight-line method over estimated useful lives ranging from 3 to 40 years. Depreciation expense is allocated to functional categories.

# **Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center**

## **Notes to the Financial Statements**

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### ***Promises to Give***

Unconditional promises to give are recognized as revenue and a receivable when verifiable, measurable, and collectible. Conditional promises are not recognized until the conditions are substantially met. Promises are classified as with or without donor restrictions based on the nature of any donor stipulations.

### ***Deferred Revenue***

Amounts received in advance under cost-reimbursement grants or for events not yet held are recorded as deferred revenue. These are recognized as revenue in the period in which the services are performed or events occur, in accordance with grant or contract terms.

### ***Leases and Right-of-use Assets***

The Organization adopted ASC 842, *Leases*. Right-of-use assets and related lease liabilities are recorded for operating leases with terms exceeding 12 months. Lease expense is recorded on a straight-line basis over the lease term.

As of December 31, 2024, the Organization had no lease obligations or right-of-use assets. The operating lease in effect as of December 31, 2023, was fully paid off and terminated during 2024 upon the purchase of the building. As such, the right-of-use asset was fully amortized and derecognized in 2024, and the lease liability was extinguished.

### ***Functional Expenses***

The costs of providing program services and supporting activities are summarized in the statement of functional expenses. Accordingly, certain costs have been allocated among the program, management and general, and fundraising functions.

Direct expenses are charged to the related function based on actual usage or identification. Indirect expenses are allocated using reasonable and consistently applied methods, which include:

- Salaries and related costs: allocated based on time and effort studies or payroll allocations.
- Occupancy and utilities: allocated based on square footage used by each function.
- Office and administrative expenses: allocated based on estimates of usage or full-time equivalent (FTE) employees.
- Depreciation: allocated based on the functional usage of the underlying assets.

Management regularly reviews and updates its allocation methods to ensure they reasonably reflect the relative benefit to each functional area.

# **Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center**

## **Notes to the Financial Statements**

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### ***Income Taxes***

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is further classified as a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi). The Organization evaluates tax positions in accordance with ASC 740-10 and has determined there are no uncertain tax positions. The Organization had no unrelated business income during the year ended December 31, 2024. Federal and state tax filings remain subject to examination for the years 2018 through 2023.

### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions affecting reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

### **Note 2 - Cash and Investments**

As of December 31, 2024, the Organization held \$47,844 in a single checking account at a federally insured financial institution.

### ***Custodial Credit Risk - Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the Organization's deposits may not be returned. The Organization's deposits were fully insured by the Federal Deposit Insurance Corporation (FDIC) as of year-end. The Organization monitors its deposit balances regularly and considers custodial credit risk to be minimal.

### **Note 3 - Property, Furniture, and Equipment and Right-of-use Assets**

A summary of property, furniture, and equipment is as follows:

Property, furniture, and equipment	
Building and improvements	\$ 356,039
Furniture and fixtures	83,991
Machinery and equipment	80,567
Total property, furniture, and equipment	<u>520,597</u>
Less: Accumulated depreciation	<u>(127,290)</u>
<b><i>Net property, furniture, and equipment</i></b>	<u><u>\$ 393,307</u></u>

During the year ended December 31, 2024, depreciation and amortization expenses were \$24,241 and \$11,652, respectively.

# **Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center**

## **Notes to the Financial Statements**

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During the year ended December 31, 2024, the Organization's right-of-use asset related to its leased facility was fully amortized and derecognized from the statement of financial position. The corresponding lease liability was paid in full prior to year-end and not renewed. This lease was not renewed because the Organization purchased the underlying building in December 2024. As a result, there were no right-of-use assets or lease liabilities outstanding as of December 31, 2024.

### **Note 4 - Leases**

The Organization previously entered into a noncancelable operating lease for the use of a facility to carry out its programmatic and administrative activities. The lease commenced in 2021 and had a three-year term, with biannual payments ranging from \$6,000 to \$8,750. The lease agreement allowed either party to terminate with thirty days' written notice. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, Leases, the Organization recognized a right-of-use (ROU) asset and corresponding lease liability upon lease commencement.

As of December 31, 2023, the remaining lease term was approximately 0.75 years, and the discount rate applied at lease commencement was 4.2%. The ROU asset was amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

During the year ended December 31, 2024, the Organization paid all remaining obligations under the lease and did not renew the agreement. As a result, both the lease liability and related right-of-use asset were fully extinguished and derecognized from the statement of financial position.

Following the expiration of the lease and prior to purchasing the underlying building, the Organization entered into a short-term lease arrangement for the same facility. The short-term lease was on a month-to-month basis and did not result in the recognition of a right-of-use asset or lease liability. In accordance with ASC 842-20-25-2, the Organization elected the short-term lease exemption and recognized lease payments as lease expense when incurred.

For the year ended December 31, 2024, occupancy and lease expenses of \$18,484 were as follows:

- Operating lease cost (amortization): \$11,652
- Short-term lease cost: \$6,832

As of December 31, 2024, the Organization had no outstanding lease obligations, no right-of-use assets, and no lease agreements extending beyond twelve months.

### **Note 5 - In-Kind Contributions**

During the year ended December 31, 2024, the Organization received in-kind contributions with an estimated fair value of \$19,429. These donations included gift cards, food and beverages,

# **Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center**

## **Notes to the Financial Statements**

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hygiene items, clothing, holiday gifts, and various supplies used to support client services and organizational activities.

In-kind contributions are recorded at fair value on the date of donation, based on the estimated cost that would have been incurred to purchase similar goods.

Volunteers also contributed a significant amount of time to the Organization throughout the year. However, these services were not recognized in the financial statements as they did not meet the criteria for recognition under generally accepted accounting principles.

### **Note 6 - Advertising Expenses**

The Organization expenses advertising costs as incurred. Advertising expenses totaled \$463 for the year ended December 31, 2024.

### **Note 7 - Liquidity and Availability**

The Organization's financial assets available within one year to meet cash needs for general expenditures as of December 31, 2024, are as follows:

Cash and cash equivalents	\$ 47,844
Grants receivable	44,886
<b><i>Total financial assets available within one year:</i></b>	<b><u>\$ 92,730</u></b>

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity management, the Organization maintains a policy of structuring its financial assets to be available as its operating expenditures and liabilities come due. The Organization's cash and receivables are sufficient to cover near-term obligations and operating expenses, and the Organization has no board-designated or donor-restricted net assets that would affect liquidity at year-end.

### **Note 8 - Risk Management**

The Organization is exposed to various risks of loss related to tort claims; theft, damage, or destruction of assets; errors and omissions; employee injuries; and natural disasters. To mitigate these risks, the Organization maintains comprehensive commercial insurance coverage, including policies for general liability, property, professional liability, workers' compensation, and other insurable exposures relevant to its operations.

Management monitors insurance coverage on an ongoing basis to ensure that protection remains adequate in light of potential risks. During the years ended December 31, 2024, and the two prior fiscal years, the Organization has not incurred any losses in excess of insurance coverage, nor were there any significant reductions in insurance coverage compared to prior years.

# **Ionia Montcalm Secure and Friendly Environmental Child Advocacy Center**

## **Notes to the Financial Statements**

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### **Note 9 - Subsequent Events**

In accordance with accounting principles generally accepted in the United States of America, the Organization has evaluated events and transactions occurring subsequent to the balance sheet date through July 31, 2025, the date the financial statements were available to be issued. Based on this evaluation, management has determined that no events have occurred that require disclosure or adjustment to the financial statements.