

CHILD FIND OF AMERICA, INC.
“Bringing Missing Children Home”

FINANCIAL STATEMENTS

Year Ended May 31, 2025
With Comparative Totals for 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CHILD FIND OF AMERICA, INC.

Opinion

We have audited the accompanying financial statements of Child Find of America, Inc. (a non-profit organization), which comprise the statement of financial position as of May 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Find of America, Inc. as of May 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Child Find of America, Inc. 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Report on Summarized Comparative Information

We have previously audited Child Find of America, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 13, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Frederick W. Schmalkuche

Foster & Schmalkuche, P.C.
Gardiner, New York

October 27, 2025

CHILD FIND OF AMERICA, INC.
"Bringing Missing Children Home"
Statement of Financial Position
 May 31, 2025
 With Comparative Totals for 2024

	2025	2024
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 975,226	\$ 712,401
Contributions Receivable	581	1,067
Contract Receivable	18,996	-
Prepaid Expenses	3,524	3,829
Investments	1,334,963	1,428,427
	2,333,290	2,145,724
TOTAL CURRENT ASSETS		
PROPERTY AND EQUIPMENT		
Net Depreciable Assets	-	-
OTHER ASSETS		
Security Deposit	1,300	1,300
Trademark	3,057	4,076
	4,357	5,376
TOTAL OTHER ASSETS		
TOTAL ASSETS	\$ 2,337,647	\$ 2,151,100
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 291	\$ 1,674
Accrued Salaries and Payroll Taxes	42,764	50,413
	43,055	52,087
TOTAL CURRENT LIABILITIES		
NET ASSETS		
Without Donor Restrictions	2,294,592	2,099,013
TOTAL LIABILITIES AND NET ASSETS	\$ 2,337,647	\$ 2,151,100

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

CHILD FIND OF AMERICA, INC.
"Bringing Missing Children Home"
Statement of Activities
Year Ended May 31, 2025
With Comparative Totals for 2024

	Without Donor Restrictions	With Donor Restrictions	TOTAL ALL FUNDS	
			2025	2024
REVENUE, GAINS AND OTHER SUPPORT				
Contributions - Cash	\$ 391,240	\$ -	\$ 391,240	\$ 438,137
Contributions - Non-Cash	-	-	-	3,050
Bequest Income	130,270	-	130,270	21,492
Grant/Contract Income	233,898	-	233,898	285,233
Interest and Dividends, net Investment Fees	58,619	-	58,619	52,359
Unrealized Gain on Securities	60,925	-	60,925	83,337
Realized Loss on Securities	(13,512)	-	(13,512)	(15,348)
	861,440	-	861,440	868,260
TOTAL REVENUE, GAINS AND OTHER SUPPORT				
EXPENSES AND LOSSES				
Program Services	599,908	-	599,908	624,057
Management and General	61,323	-	61,323	54,157
Fundraising	4,630	-	4,630	6,299
	665,861	-	665,861	684,513
TOTAL EXPENSES AND LOSSES				
Change in Net Assets	195,579	-	195,579	183,747
NET ASSETS - BEGINNING OF YEAR	2,099,013	-	2,099,013	1,915,266
NET ASSETS - END OF YEAR	\$ 2,294,592	\$ -	\$ 2,294,592	\$ 2,099,013

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

CHILD FIND OF AMERICA, INC.
"Bringing Missing Children Home"
Statement of Cash Flows
Year Ended May 31, 2025
With Comparative Totals for 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 195,579	\$ 183,747
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	1,145
Amortization	1,019	1,019
Contributions - Non-Cash	-	(3,050)
Unrealized Gain on Securities	(60,925)	(83,337)
Realized Loss on Securities	13,512	15,348
Changes in Assets and Liabilities:		
Contributions Receivable	486	1,210
Contract Receivable	(18,996)	18,973
Prepaid Expenses	305	(39)
Accounts Payable	(1,383)	538
Accrued Salaries and Payroll Taxes Payable	(7,649)	4,591
NET CASH PROVIDED BY OPERATING ACTIVITIES	121,948	140,145
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales, Redemptions and Maturities of Investments	362,987	275,916
Purchase of Investments	(222,110)	(494,253)
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	140,877	(218,337)
NET INCREASE/(DECREASE) IN CASH	262,825	(78,192)
CASH AT BEGINNING OF YEAR	712,401	790,593
CASH AT END OF YEAR	\$ 975,226	\$ 712,401

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

CHILD FIND OF AMERICA, INC.
"Bringing Missing Children Home"
Schedule of Functional Expenses
Year Ended May 31, 2025
With Comparative Totals for 2024

	PROGRAM SERVICES				SUPPORTING SERVICES		TOTAL EXPENSES	
	Location	Public Education	Parent Help	Total	Management and General	Fundraising	2025	2024
Salaries	\$ 137,875	\$ 117,225	\$ 225,585	\$ 480,685	\$ 38,640	\$ 2,138	\$ 521,463	\$ 523,640
Payroll Taxes and Benefits	13,094	11,133	21,424	45,651	3,668	203	49,522	49,730
Total Payroll Related Expenses	150,969	128,358	247,009	526,336	42,308	2,341	570,985	573,370
Bank Charges	814	603	1,357	2,774	211	30	3,015	3,770
Computers	229	448	299	976	2,345	108	3,429	5,559
Dues and Subscriptions	2,175	162	2,175	4,512	1,816	1,100	7,428	10,517
Filing Fees	766	567	1,276	2,609	199	28	2,836	2,834
Hospitality and Recognition	-	-	-	-	769	-	769	684
Insurance	886	963	1,656	3,505	308	39	3,852	4,048
Media Production	1,268	2,312	3,934	7,514	-	826	8,340	6,815
Office Maintenance	716	531	1,194	2,441	186	26	2,653	2,863
Office Supplies	199	183	351	733	64	-	797	1,209
Postage	216	113	113	442	404	-	846	1,437
Professional Services	3,826	2,686	5,878	12,390	10,209	-	22,599	18,511
Rent	6,597	4,887	11,117	22,601	1,711	122	24,434	26,592
Telephone	2,511	786	5,753	9,050	670	-	9,720	12,716
Training	-	2,978	-	2,978	-	-	2,978	11,413
Travel	-	109	-	109	52	-	161	11
Total Expenses Before Depreciation and Amortization	171,172	145,686	282,112	598,970	61,252	4,620	664,842	682,349
Depreciation	-	-	-	-	-	-	-	1,145
Amortization	275	204	459	938	71	10	1,019	1,019
Total Depreciation and Amortization	275	204	459	938	71	10	1,019	2,164
TOTAL EXPENSES	\$ 171,447	\$ 145,890	\$ 282,571	\$ 599,908	\$ 61,323	\$ 4,630	\$ 665,861	\$ 684,513

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

CHILD FIND OF AMERICA, INC.
“Bringing Missing Children Home”
Notes to Financial Statements
May 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Child Find of America, Inc. is a national not-for-profit organization located in Highland, New York. The Organization provides professional services designed to prevent and resolve child abduction and the family conflicts that can lead to abduction and abuse. Approximately 45% of the Organization’s revenue for the year came from contributions.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the non-profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

As of May 31, 2025, all of the Organization’s net assets are without donor restrictions.

Cash and Cash Equivalents

Cash listed on the Statement of Financial Position represents cash deposits in bank and money market accounts. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents with the exception of amounts held in the investment account.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2024, from which the summarized information was derived.

Concentrations of Credit Risk

The Organization maintains cash in financial institutions that are covered by the Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC). At May 31, 2025, the Organization had an uninsured balance amounting to \$260,197.

Contributions

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 without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Donated Assets

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

During the year, the Organization did not receive any donated assets.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. Significant amounts of time have been donated to the Organization's program and supporting services.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made on the accompanying financial statements. The Organization files the required annual federal and state returns.

The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the positions being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the Statement of Financial Position. The Organization has not recognized a liability for uncertain tax positions. If there was an unrecognized tax benefit, the Organization would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Organization's open tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

Liquidity

Assets are presented in the accompanying Statement of Financial Position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Property and Equipment

Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. The Organization capitalizes all expenditures for property and equipment in excess of \$500. Depreciation is computed using the straight-line method. Repairs and maintenance that do not improve or extend the useful lives of the respective assets are expensed currently.

Revenue Recognition Policy

Child Find of America, Inc. derives its revenues primarily from donations, grants, and contracts which are used to provide professional services designed to prevent and resolve child abduction and family conflicts. The Organization recognizes the revenue from a contract with National Responsible Fatherhood Clearinghouse when the services provided are invoiced. Therefore, these revenues are recognized in the fiscal year in which the services are substantially provided.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates

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

NOTE 2: AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets as of May 31, 2025:

Financial assets at year end:	
Cash	\$ 975,226
Contributions Receivable	581
Contract Receivable	18,996
Prepaid Expenses	3,524
Investments	<u>1,334,963</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 2,333,290</u>

NOTE 3: RECEIVABLES

The contract receivable represents funds due from the National Responsible Fatherhood Clearinghouse and is recorded when invoices are issued for services provided. Invoices are issued monthly. There is no significant financing component. There are also no contract assets or liabilities.

The receivable due from this contract was \$18,996 at May 31, 2025, and zero at May 31, 2024.

All receivables have been deemed by management to be fully collectible.

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	<u>May 31, 2025</u>	<u>May 31, 2024</u>
Furniture and Equipment	\$ 1,815	\$ 1,815
Donated Equipment	<u>34,612</u>	<u>34,612</u>
	36,427	36,427
Less: Accumulated Depreciation	<u>(36,427)</u>	<u>(36,427)</u>
Net Property and Equipment	<u>\$ -0-</u>	<u>\$ -0-</u>

NOTE 5: TRADEMARK

During fiscal years 1988 and 1989, expenses were incurred to protect the trade name against an organization located in the state of Missouri. Trademark and trade name expenditures are currently being amortized over 40 years.

	<u>May 31, 2025</u>	<u>May 31, 2024</u>
Original Total	\$ 40,761	\$ 40,761
Accumulated Amortization	<u>(37,704)</u>	<u>(36,685)</u>
Net Trademark	<u>\$ 3,057</u>	<u>\$ 4,076</u>

NOTE 6: INVESTMENTS

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investments of the Organization are summarized as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
Money Market	\$ 32,607	\$ 32,607	\$ --
Stocks	408,535	508,366	99,831
Exchange Traded & Closed End Funds	4,864	6,638	1,774
Mutual Funds	172,246	202,508	30,262
Fixed Income	<u>592,886</u>	<u>584,844</u>	<u>(8,042)</u>
Total	<u>\$1,211,138</u>	<u>\$1,334,963</u>	<u>\$ 123,825</u>

Investment return is summarized as follows:

Investment income	\$ 67,059
Net unrealized gain	60,925
Net realized loss	(13,512)
Investment management fees	<u>(8,440)</u>
Total investment gain	<u>\$ 106,032</u>

NOTE 7: FAIR VALUE MEASUREMENTS

U.S. GAAP defines fair value and establishes a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is broken down into three levels of inputs that market participants would use in valuing the asset or liability which can be summarized as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities
- Level 2 – Quoted prices for similar assets and liabilities in active markets
- Level 3 – Valuation based on inputs that are unobservable, therefore requiring management's best estimate of what market participants would use as fair value

NOTE 7: FAIR VALUE MEASUREMENTS (CONT'D)

A financial instrument's level within the fair value hierarchy is based on the lowest (or least observable) level of input that is significant to the fair value measurement.

At May 31, 2025, the Organization's financial assets consist of investments which are classified at fair value in the following valuation hierarchy:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Money Market	\$ 32,607	\$ --	\$ --	\$ 32,607
Stocks	508,366	--	--	508,366
Exchange Traded & Closed End Funds	6,638	--	--	6,638
Mutual Funds	202,508	--	--	202,508
Fixed Income	--	584,844	--	584,844
Total	<u>\$ 750,119</u>	<u>\$ 584,844</u>	<u>\$ --</u>	<u>\$1,334,963</u>
As a % of Total Assets	32.09%	25.02%	0.0%	57.11%

NOTE 8: LEASE COMMITMENTS

The Organization has a rental lease agreement with Southeastern NY Library Resources Council which is in effect until September 30, 2027. Per the lease agreement, the Organization is obligated to pay monthly payments of \$2,064 each until the end of the lease.

NOTE 9: DISAGGREGATION OF REVENUE

The Organization's revenues are primarily derived from various online donation platforms, company matching programs, bequests, grants, and contacts. Local and national economic factors have a large impact on the nature, amount, timing, and uncertainty of revenue and cash flows. A substantial amount of the Organization's revenue is derived from contributions therefore, the economy and other factors can affect contributor's financial ability to make donations.

The nature of Child Find of America, Inc.'s operations provides that some of their revenues are recognized over time as the income is earned, while others are recognized at the point in time when the revenue is received. The following chart disaggregates the Organization's revenue based on these criteria.

NOTE 9: DISAGGREGATION OF REVENUE (CONT'D)

Revenues Recognized Over Time	
Grant/Contract Income	<u>\$ 233,898</u>
Revenues Recognized at a Point in Time	
Contributions	\$ 391,240
Bequest Income	130,270
Investment Gain, Net of Expenses	<u>106,032</u>
Total Revenue Recognized at a Point in Time	<u>\$ 627,542</u>

NOTE 10: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 27, 2025, the date the financial statements were available to be issued.