



Financial Statements

June 30, 2024 and 2023



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GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Greater Richmond SCAN (Stop Child Abuse Now), Inc.
Richmond, Virginia

Opinion

We have audited the accompanying financial statements of Greater Richmond SCAN (Stop Child Abuse Now), Inc., (the "Organization"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 Greater Richmond SCAN (Stop Child Abuse Now), Inc., as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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; 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.

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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*, is presented for purposes of additional analysis and is 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 audits 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. In our opinion, the schedule of expenditures of federal awards is 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 November 18, 2024, on our consideration of the Organization's 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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



November 18, 2024
Glen Allen, Virginia

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Financial Position
June 30, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Current assets:		
Cash	\$ 3,301,177	\$ 3,008,074
Marketable securities	-	17,781
Accounts receivable, net of allowances	112,300	77,221
Grants receivable	361,023	186,942
Pledges receivable, net of allowances	174,589	259,935
Prepaid expenses and other assets	63,766	41,004
	<hr/>	<hr/>
Total current assets	4,012,855	3,590,957
	<hr/>	<hr/>
Property and equipment:		
Furniture	23,347	23,347
Equipment	98,637	96,108
Leasehold improvements	42,272	42,272
Accumulated depreciation	(135,225)	(124,282)
Property and equipment, net	<hr/> 29,031	<hr/> 37,445
	<hr/>	<hr/>
Beneficial interest in assets held by The Community Foundation	110,281	97,832
Operating lease right-of-use assets, net	<hr/> 486,712	<hr/> 109,296
	<hr/>	<hr/>
Total assets	<u>\$ 4,638,879</u>	<u>\$ 3,835,530</u>

See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Financial Position, Continued
June 30, 2024 and 2023

<u>Liabilities and Net Assets</u>	<u>2024</u>	<u>2023</u>
Current liabilities:		
Accounts payable	\$ 12,152	\$ 25,013
Accrued payroll liabilities	182,502	191,030
Deferred revenue	3,400	-
Current maturities of operating lease liabilities	88,595	116,031
Total current liabilities	<u>286,649</u>	<u>332,074</u>
Non-current liabilities:		
Operating lease liabilities, net of current portion	399,775	-
Total liabilities	<u>686,424</u>	<u>332,074</u>
Net assets:		
Without donor restrictions	3,743,649	3,102,819
With donor restrictions	208,806	400,637
Total net assets	<u>3,952,455</u>	<u>3,503,456</u>
Total liabilities and net assets	<u>\$ 4,638,879</u>	<u>\$ 3,835,530</u>

See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Activities
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Support and revenue:			
Contributions	\$ 895,482	\$ 707,080	\$ 1,602,562
In-kind contributions	96,210	-	96,210
Grants	1,357,766	-	1,357,766
Program revenue	634,908	-	634,908
Special events (less direct expenses of \$84,019)	400,421	-	400,421
Interest income	85,960	-	85,960
Investment income, net	12,449	-	12,449
Other income	3,656	-	3,656
	<u>3,486,852</u>	<u>707,080</u>	<u>4,193,932</u>
 Net assets released from restrictions	 <u>898,911</u>	 <u>(898,911)</u>	 <u>-</u>
 Total support, revenue, and other changes	 <u>4,385,763</u>	 <u>(191,831)</u>	 <u>4,193,932</u>
 Expenses:			
Program services	3,290,673	-	3,290,673
Support services:			
Management and general	240,194	-	240,194
Fundraising	214,066	-	214,066
	<u>3,744,933</u>	<u>-</u>	<u>3,744,933</u>
 Changes in net assets	 640,830	 (191,831)	 448,999
 Net assets, beginning of year	 <u>3,102,819</u>	 <u>400,637</u>	 <u>3,503,456</u>
 Net assets, end of year	 <u>\$ 3,743,649</u>	 <u>\$ 208,806</u>	 <u>\$ 3,952,455</u>

See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Activities, Continued
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Support and revenue:			
Contributions	\$ 756,454	\$ 713,345	\$ 1,469,799
In-kind contributions	28,381	-	28,381
Grants	1,163,716	-	1,163,716
Program revenue	649,360	-	649,360
Special events (less direct expenses of \$63,521)	355,251	-	355,251
Interest income	36,904	-	36,904
Investment income, net	9,248	-	9,248
Other income, net	3,016	-	3,016
	<u>3,002,330</u>	<u>713,345</u>	<u>3,715,675</u>
 Total support and revenue			
	<u>3,002,330</u>	<u>713,345</u>	<u>3,715,675</u>
 Net assets released from restrictions	967,741	(967,741)	-
	<u>967,741</u>	<u>(967,741)</u>	<u>-</u>
 Total support, revenue, and other changes	3,970,071	(254,396)	3,715,675
	<u>3,970,071</u>	<u>(254,396)</u>	<u>3,715,675</u>
 Expenses:			
Program services	3,023,718	-	3,023,718
Support services:			
Management and general	185,405	-	185,405
Fundraising	200,421	-	200,421
	<u>3,409,544</u>	<u>-</u>	<u>3,409,544</u>
 Total expenses			
	<u>3,409,544</u>	<u>-</u>	<u>3,409,544</u>
 Changes in net assets	560,527	(254,396)	306,131
	<u>560,527</u>	<u>(254,396)</u>	<u>306,131</u>
 Net assets, beginning of year	2,542,292	655,033	3,197,325
	<u>2,542,292</u>	<u>655,033</u>	<u>3,197,325</u>
 Net assets, end of year	\$ <u>3,102,819</u>	\$ <u>400,637</u>	\$ <u>3,503,456</u>

See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Functional Expenses
Year Ended June 30, 2024

	Program Services					Total Program Services	Support Services		Total Support Services	Total
	Community		Family	Circle	Management and General		Fundraising			
	CAC	CASA	Programs	Support				Preschool		
Salaries and wages	\$ 704,558	\$ 296,118	\$ 570,558	\$ 207,996	\$ 433,179	\$ 2,212,409	\$ 66,679	\$ 162,995	\$ 229,674	\$ 2,442,083
Employee benefits	33,263	21,207	36,809	15,498	47,773	154,550	6,170	11,347	17,517	172,067
Payroll taxes	52,618	22,216	42,789	15,540	30,214	163,377	4,930	12,190	17,120	180,497
Occupancy expenses	121,852	71	22,890	15,934	41,595	202,342	13,628	47	13,675	216,017
Travel and meetings	15,275	9,467	11,326	1,838	1,495	39,401	3,358	10,002	13,360	52,761
Depreciation	3,283	1,641	547	2,189	1,641	9,301	547	1,094	1,641	10,942
Development and training	6,313	445	2,826	1,042	2,104	12,730	684	593	1,277	14,007
Postage and shipping	245	25	67	652	25	1,014	292	577	869	1,883
Telephone	13,281	1,051	2,205	1,701	1,126	19,364	1,721	993	2,714	22,078
Technology	5,465	4,352	911	3,643	2,732	17,103	911	1,822	2,733	19,836
Supplies	11,539	5,004	25,560	3,360	35,691	81,154	2,951	2,806	5,757	86,911
Printing and publications	730	263	573	350	293	2,209	1,756	1,853	3,609	5,818
Professional fees	46,549	-	216,036	-	11,178	273,763	110,512	-	110,512	384,275
Volunteer training	-	2,100	-	-	-	2,100	-	-	0	2,100
Insurance	13,514	5,471	10,463	4,926	8,717	43,091	6,295	3,121	9,416	52,507
Equipment rental and maintenance	9,376	1,898	1,117	4,574	64	17,029	2,642	4,151	6,793	23,822
Program evaluation	-	-	-	500	373	873	-	-	0	873
Miscellaneous expenses	1,565	140	17,130	190	608	19,633	16,845	401	17,246	36,879
Recruitment and screening	1,223	393	163	242	207	2,228	98	6	104	2,332
Membership dues	4,544	397	3,932	79	22	8,974	146	15	161	9,135
Life insurance	242	161	224	51	236	914	29	53	82	996
Awards and grants	-	-	7,114	-	-	7,114	-	-	-	7,114
Total expenses	\$ 1,045,435	\$ 372,420	\$ 973,240	\$ 280,305	\$ 619,273	\$ 3,290,673	\$ 240,194	\$ 214,066	\$ 454,260	\$ 3,744,933

See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Functional Expenses, Continued
Year Ended June 30, 2023

	Program Services					Total Program Services	Support Services		Total Support Services	Total
	CAC	CASA	Community Programs	Family Support	Circle Preschool		Management and General	Fundraising		
Salaries and wages	\$ 676,276	\$ 263,232	\$ 534,050	\$ 246,022	\$ 415,947	\$ 2,135,527	\$ 64,499	\$ 151,780	\$ 216,279	\$ 2,351,806
Employee benefits	28,861	18,548	38,209	20,454	44,628	150,700	5,736	10,340	16,076	166,776
Payroll taxes	51,074	19,770	40,027	18,425	29,413	158,709	4,790	11,379	16,169	174,878
Occupancy expenses	118,540	39	25,336	21,849	36,169	201,933	13,100	26	13,126	215,059
Travel and meetings	10,799	6,085	12,696	3,460	3,932	36,972	3,935	9,201	13,136	50,108
Depreciation	3,402	1,701	567	2,268	1,701	9,639	567	1,134	1,701	11,340
Development and training	7,121	533	1,270	1,808	3,066	13,798	396	63	459	14,257
Postage and shipping	388	326	64	255	191	1,224	88	582	670	1,894
Telephone	15,432	981	1,731	2,476	893	21,513	1,279	683	1,962	23,475
Technology	5,239	3,840	820	3,280	2,460	15,639	820	1,640	2,460	18,099
Supplies	13,574	4,290	12,933	3,837	30,195	64,829	1,882	2,538	4,420	69,249
Printing and publications	419	204	68	272	484	1,447	963	1,663	2,626	4,073
Professional fees	19,986	-	95,278	-	5,800	121,064	63,698	2,000	65,698	186,762
Volunteer training	-	2,396	-	-	-	2,396	-	-	-	2,396
Insurance	13,084	5,265	11,812	4,413	9,350	43,924	5,552	3,075	8,627	52,551
Equipment rental and maintenance	11,221	1,839	1,097	4,395	5	18,557	2,722	3,843	6,565	25,122
Program evaluation	-	-	5,000	500	77	5,577	-	-	-	5,577
Miscellaneous expenses	311	86	7,438	142	447	8,424	15,059	423	15,482	23,906
Recruitment and screening	701	1,410	105	50	70	2,336	160	20	180	2,516
Membership dues	1,000	375	800	-	-	2,175	139	-	139	2,314
Life insurance	132	99	132	53	140	556	20	31	51	607
Awards and grants	-	-	6,779	-	-	6,779	-	-	-	6,779
Total expenses	\$ 977,560	\$ 331,019	\$ 796,212	\$ 333,959	\$ 584,968	\$ 3,023,718	\$ 185,405	\$ 200,421	\$ 385,826	\$ 3,409,544

See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 448,999	\$ 306,131
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	10,942	11,340
Investment income, net of investment fees	(12,449)	(9,248)
Donations of marketable securities	-	(17,781)
Sale of donated marketable securities	17,781	-
Changes in assets and liabilities:		
Accounts receivable, net of allowances	(35,079)	(5,284)
Grants receivable	(174,081)	(108,539)
Pledges receivable, net of allowances	85,346	3,572
Prepaid expenses and other assets	(22,762)	21,004
Accounts payable	(12,861)	4,893
Accrued payroll liabilities	(8,528)	2,769
Deferred revenue	3,400	-
Deferred rent	-	(11,749)
Operating lease assets and liabilities, net	(5,077)	6,735
Net cash provided by operating activities	295,631	203,843
Cash flows from investing activities:		
Purchases of property and equipment	(2,528)	(24,662)
Investment of endowment funds with The Community Foundation	-	(2,689)
Net cash used in investing activities	(2,528)	(27,351)
Change in cash	293,103	176,492
Cash, beginning of year	3,008,074	2,831,582
Cash, end of year	\$ 3,301,177	\$ 3,008,074
Non-cash transactions:		
Operating right-of-use assets obtained through lease liabilities	\$ 511,572	\$ 265,656

See accompanying notes to financial statements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements

1. Organization and Business:

Greater Richmond SCAN (Stop Child Abuse Now), Inc. (“SCAN” or the “Organization”) is a not-for-profit, charitable organization operated under Internal Revenue Code Section 501(c)(3).

SCAN, founded in 1991, is dedicated to the prevention and treatment of child abuse and neglect in the Greater Richmond, Virginia area. SCAN protects children from abuse and neglect by providing the awareness, support, education, and advocacy needed to enhance the lives of children. SCAN’s services promote positive parenting, strengthen families, and help create a community that values and cares for its children. SCAN’s programs include:

Child Advocacy Center (“CAC”) – SCAN opened a child advocacy center in the City of Richmond in November 2004. Henrico Satellite CAC center was opened in March 2016. The Child Advocacy Center is a place for abused children and their non-offending family to receive child forensic interviews, mental health treatment, medical services, victim advocacy, multidisciplinary case review and case tracking in one physical location.

Court Appointed Special Advocates (“CASA”) – The program provides trained volunteers who advocate for the best interests of children involved in the Juvenile and Domestic Relations District Court process. CASA also seeks to assure safe and permanent homes for all children.

Community Programs, encompassing all of SCAN’s programs and initiatives at the organizational, community and state level, focuses on the prevention of child maltreatment through the advancement of protective factors and trauma-informed approaches. Community Programs includes: Trauma-Informed Community Network (“TICN”), a diverse group convened by SCAN of over 400 members from over 150 different organizations representing a wide range of systems, all with a shared commitment toward creating a more trauma-informed and resilient community; and primary prevention, SCAN offers parenting education and resources to parents, caregivers and professionals who work with children. Through its primary prevention activities, SCAN also coordinates Greater Richmond’s National Child Abuse Prevention Month public awareness campaign.

Family Support Program (“FSP”) – SCAN’s Family Support Program seeks to strengthen families and give caregivers the tools they need to provide healthy homes for their children. FSP provides services along a continuum, ranging from primary prevention activities, such as parent education workshops for grandparents and intimate partner violence survivors, to tertiary intervention, such as intensive, psycho-educational and treatment groups for families directly affected by abuse.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

1. Organization and Business, Continued:

Circle Preschool – In February 2011 SCAN began partnering with St. James’s Children’s Center to implement a pilot therapeutic preschool program for children who have experienced trauma called The Circle Preschool Program (“CPP”). In 2020, CPP moved into space within the YWCA Richmond’s Sprout School location on Bainbridge Street. The preschool is based on best practices grounded in national and local research and is the first of its kind in the Richmond area. Through the Circle Preschool Program, SCAN prepares children who have social and emotional challenges for long-term educational success before they enter kindergarten. The healing and growth at the Circle Preschool goes beyond the classroom to reach students, teachers and professionals throughout the Greater Richmond area and across the state through professional development and training.

SCAN’s services are primarily funded through contributions, grants and revenues from special events.

2. Summary of Significant Accounting Policies:

Basis of Accounting: The accompanying financial statements of SCAN have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Basis of Presentation: The Organization is required to report amounts separately by class of net assets as follows:

Net Assets Without Donor Restrictions: Net assets currently available at the discretion of the Board of Directors for use in the Organization’s operations.

Net Assets With Donor Restrictions: Net assets which are stipulated by donors for specific operating purposes, or are restricted to investments in perpetuity, the income from which is expendable in accordance with the conditions of each specific donation. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets. The Organization has a policy in which contributions with donor restrictions where the purpose is met within the same fiscal year is reported as increases to net assets without donor restrictions. As of June 30, 2024 and 2023, the Organization had no net assets restricted by donors in perpetuity.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Cash and Cash Equivalents: For purposes of the statement of cash flows, SCAN considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

Contributions: 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 barriers and a right of return - are not recognized until the conditions on which they depend have been met. During the year ended June 30, 2024, the Organization did not receive any donations of securities at a fair market value. At June 30, 2023, the Organization had received securities at a fair market value of \$17,781. These securities are included in the 2023 statement of financial position and were sold during the year ended June 30, 2024.

Donated Services: The Organization receives in-kind contributions of legal services, and such contributions are recorded at the estimated fair market value of the services using invoices provided by the attorney. In-kind contributions of legal services with a value of \$96,210 and \$28,381 were received in the years ended June 30, 2024 and 2023, respectively.

Revenue Recognition: The Organization recognizes revenue from exchange transactions in accordance with Financial Accounting Standards Board (FASB) guidance contained in Revenue from Contracts with Customers (Topic 606).

The majority of the Organization's program revenue consists of clinical and mental health treatment, tuition revenue from Circle Preschool, training and education programs, and consulting fees.

Except for training and education program revenue, the Organization recognizes a majority of its program revenue over time upon the transfer of control of products or services to its clients. Training and education program revenue is recognized at a point in time when the related training or education program occurs. Economic factors may impact the nature, amount, and timing of revenue recognition.

Clinical and mental health treatment, tuition revenue, and consulting fee program revenues are reported at the amount that reflects the consideration the Organization expects to receive in exchange for the services provided. These amounts are due from clients on a weekly or monthly basis. Performance obligations are determined based on the nature of the services provided and revenue is recognized as the performance obligations are satisfied.

Clinical and mental health treatment, tuition revenue, and consulting fee program revenues are primarily derived from providing various services to clients at a stated weekly or monthly fee.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Revenue Recognition, Continued: The Organization determined the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided. Therefore, clinical and mental health treatment, tuition revenue, and consulting fee program monthly fees are recognized on a month-to-month basis.

A contract asset is the Organization's right to consideration in exchange for goods or services the Organization has transferred to a client. Contract liabilities represent consideration received from a client before the Organization has transferred a good or service to the client. There were no contract assets as of June 30, 2024, June 30, 2023, and July 1, 2022. Contract liabilities amounted to \$3,400 as of June 30, 2024. There were no contract liabilities as of June 30, 2023, and July 1, 2022.

Deferred Revenue: Deferred revenue consists of preschool tuition received in the current fiscal year for program classes that have not yet occurred. Income is recognized in the following fiscal year when the program class is complete.

Pledges and Grants Receivable: The Organization uses the allowance method for estimates of uncollectible receivables. The allowance is based on historical collection rates and an analysis of individual receivables. Based on this analysis, the allowance for uncollectible receivables amounted to \$3,500 for 2024 and \$2,924 for 2023.

Accounts Receivables, Net of Allowance: The Organization monitors outstanding accounts receivable and provides an allowance for any balances that are determined to be uncollectible. These allowances are calculated using historical data and management estimates. When accounts are considered uncollectible they are written off against the allowance. The Organization adopted Accounting Standards Update ("ASU") 2016-13 during the year ended June 30, 2024 (see Recently Adopted Accounting Guidance). The allowance for credit losses amounted to \$1,512 at June 30, 2024. The allowance for credit losses was \$2,176 at June 30, 2023. Accounts receivable, net, was \$112,300 as of June 30, 2024, \$77,221 as of June 30, 2023, and \$71,937 as of June 30, 2022.

Property and Equipment: Property and equipment is stated at cost, net of accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. Equipment and leasehold improvements have a useful life of three to seven years, while furniture has a useful life of five to seven years. Repairs and maintenance are expensed as incurred.

Estimates: The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Credit Risk: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, accounts receivable, grants receivable, and pledges receivable. SCAN places its cash with financial institutions located in Richmond, Virginia. At times, these balances are in excess of the FDIC insurance limit. Accounts receivable are from various third party reimbursements. Pledges receivable are from individuals, organizations and foundations located primarily in the United States. Grants receivable are from various government organizations. SCAN believes its credit risk related to these receivables is limited due to the number and diversity of its donors.

Income Tax Uncertainties: The Organization follows guidance related to accounting for uncertainty in income taxes, which clarifies the accounting for income taxes by prescribing the minimum recognition threshold that a tax position is required to meet before being recognized in the Organization's financial statements. In accordance with the guidance, the Organization discloses the expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the facts and the Organization's position and records unrecognized tax benefits or liabilities for known, or anticipated tax issues based on the Organization's analysis of whether additional taxes would be due to the authority given their full knowledge of the tax position. The Organization has completed its assessment and determined that there were no tax positions which would require recognition. The Organization is not currently under audit by any tax jurisdiction.

Functional Allocation of Expenses: The costs of providing the various program and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on a time and cost study of where efforts are made.

Leases: The Organization follows the guidance contained in FASB ASC 842, *Leases*. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The Organization does not record a right-of-use asset and lease liability for leases with a term of less than 12 months, and the payments are recognized into profit or loss on a straight-line basis over the lease term.

The right-of-use assets and lease liabilities are initially measured at the present value of future lease payments, discounted using a risk-free rate as of the lease commencement date. The right-of-use assets and lease liabilities are calculated to include options to extend or terminate the lease when the Organization determines that it is reasonably certain it will exercise those options. In making those determinations, the Organization considers various existing economic and market factors, business strategies as well as the nature, length, and terms of the lease agreements.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Leases, Continued: Certain leases may include variable payments for operating expenses associated with the leased assets. These variable payments are excluded from the measurement of the Organization's right-of-use asset and lease liabilities, and are recognized in the period in which the obligation for those payments are incurred. The Organization has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from short-term leases for any class of underlying asset.

Recently Adopted Accounting Guidance: In June 2014, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, which replaces the incurred loss methodology for estimating credit losses with the current expected credit loss ("CECL") model to estimate credit losses for most financial assets held at amortized cost. Including accounts receivable, the new model requires entities consider a wide range of information when estimating credit losses, including historical loss information, current conditions, and reasonable and supportable forecasts. Under the CECL model, the allowance for credit losses on financial assets reflects management's estimate of credit losses over the remaining expected life of the assets. The Company adopted this guidance during the year ended June 30, 2024 with no significant effect on the financial statements.

Reclassifications: Certain prior year balances have been reclassified to conform with the current year presentation.

Subsequent Events: Management has evaluated subsequent events through November 18, 2024, the date the financial statements were available to be issued, and has determined there are no subsequent events, except as disclosed in note 7, to be reported in the accompanying financial statements.

3. Pledges Receivable:

At June 30, 2024 and 2023, SCAN had received unconditional promises to give amounting to \$174,589 and \$259,935, respectively. The amount at June 30, 2023 was collected during 2024. All unconditional promises to give are expected to be collected within one year of the fiscal year-end. Based on this, no discount on unconditional promises to give was necessary as of June 30, 2024 or 2023.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

4. Beneficial Interest in Assets Held by The Community Foundation:

During 2021, the Organization with the help of The Community Foundation established the Joan M. O'Donnell, Esq. Endowment Fund for Greater Richmond SCAN ("the Endowment") with funds designated without donor restrictions. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Endowment is administered by The Community Foundation and is subject to certain terms and conditions regarding access to principal. The Organization may not access the principal balance of the Endowment unless there is an affirmative vote of three-fourths of the Board of Directors, and not more than once in any four-year period, the Organization may request a second distribution from the Endowment up to 10% of the prior year-end balance so long as the following conditions are met: (i) the distribution is for the purpose of acquiring or renovating a capital asset; (ii) the Organization is faced with an unexpected financial need that is not likely to recur, and the distribution will enable the Organization to meet those needs; or (iii) the distribution is believed to be in the best interest of the community.

The Community Foundation's Board of Governors has full authority and discretion as to the investment of the assets, as well as certain variance power as defined in the agreement. If all the above conditions are met, the Organization can request a distribution up to 10% of the prior year-end balance.

The funds for the Endowment are included in beneficial interest in assets held by The Community Foundation on the accompanying statements of financial position. The Endowment had a balance of \$110,281 and \$97,832 as of June 30, 2024 and 2023, respectively.

5. Line of Credit:

The Organization has available a \$75,000 operating line of credit with a bank due in May 2025. Interest on funds advanced is payable monthly at the bank's prime rate plus 6.75% (15.25% at June 30, 2024 and 15.00% at June 30, 2023). The line of credit is secured by substantially all the assets of the Organization. At June 30, 2024 and 2023, there were no balances outstanding on the line of credit.

6. Defined Contributions Plan:

SCAN has a defined contribution plan (the "Plan") under Section 403(b) of the Internal Revenue Code. During 2024 and 2023, the Plan provided for a non-discretionary match of 25% of employee contributions up to a maximum employee deferral of 8%. Expenses associated with this Plan were \$26,874 for 2024 and \$27,811 for 2023.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

7. Lease Commitments:

On April 1, 2014, SCAN entered into an operating lease for office space on Grace Street in downtown Richmond. The facility is used to house SCAN's Child Advocacy Center and administrative offices. This lease is a combination of an existing lease of the previous space leased on 103 E. Grace Street and an addition of 101 E Grace Street under one lease, which expired on March 31, 2024. On April 1, 2024, SCAN entered into a new lease agreement to extend the term of the lease. The lease is now set to expire on March 31, 2029.

On February 1, 2016, SCAN entered into an operating lease for office space on Bremond Road in Richmond. The facility is used to house SCAN's Child Advocacy Center. On June 25, 2019, SCAN amended the operating lease, which added an additional 400 square feet of space. This lease was set to expire on January 31, 2024, however SCAN amended the lease, which extended the term until July 31, 2024.

On December 1, 2023, SCAN entered into an operating lease for office space on N. Parham Road in Richmond. The facility is used to house SCAN's Child Advocacy Center. The commencement date was dependent on the completion of the landlord's construction. Construction was completed and the lease commenced on August 1, 2024. The lease is for 10 years and requires monthly rent of \$4,213 escalating at 3% annually. The lease is set to expire on July 31, 2034 and is not included in the schedule below or lease liability on the statements of financial position.

The minimum lease payments for the office leases at June 30, 2024 are as follows:

Year Ending June 30:	Amount
2025	\$ 112,984
2026	111,296
2027	114,635
2028	118,074
2029	90,533
Less amount representing interest	(59,152)
Total operating lease liabilities	\$ 488,370

Weighted average remaining lease terms and discount rates at June 30, 2024 are as follows:

Weighted-average remaining lease terms (years):	4.8
Weighted-average discount rates:	4.3%

Operating lease cost totaled \$214,620 during 2024 and \$213,655 for 2023, respectively.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

7. Lease Commitments, Continued:

On February 2, 2021, SCAN entered into an operating lease for class room space on Bainbridge Road in Richmond. The facility is used to house SCAN’s Circle Preschool Program. On June 30, 2021, SCAN amended the operating lease, which extends the lease term indefinitely unless written notice of non-renewal is provided at least three months prior to the intended termination date. Management determined that because this lease can be terminated at any time with a three-month notice, it meets the criteria for a short-term lease and is not included in operating right-of-use assets and liabilities. Short term lease cost totaled \$9,600 both 2024 and 2023.

8. Commitments:

On September 16, 2020, SCAN entered into an agreement with the YWCA Richmond (“YWCA”) to share the costs of a lease agreement entered into between YWCA and an unaffiliated third party. As part of the agreement, SCAN will fund its share of the costs. This space will be used for SCAN’s Circle Preschool. On March 16, 2022, SCAN entered into a second agreement with the YWCA for additional shared space. As part of the agreement, SCAN will pay the YWCA monthly rent of \$1,384. Both agreements will be automatically extended for additional one-year periods unless written notice of non-renewal is provided at least 60 days prior to the renewal date. The lease agreement for the additional shared space was terminated on November 1, 2023.

Future expected payments under the agreements at June 30, 2024 were as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2025	<u>\$ 33,120</u>

9. Net Assets With Restrictions:

Net assets with donor imposed restrictions are to be used towards the following specified programs or services as of June 30:

	<u>2024</u>	<u>2023</u>
Family Support Program	\$ 8,880	\$ 9,743
Community programs	15,894	165,036
Child Advocacy Center	46,302	134,333
Circle Preschool	73,118	28,726
Staff recognition event	2,296	-
Salaries for mental health services	<u>62,316</u>	<u>62,799</u>
	<u>\$ 208,806</u>	<u>\$ 400,637</u>

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Financial Statements, Continued

9. Net Assets With Restrictions, Continued:

Net assets released from restrictions were as follows for the years ended June 30:

	2024	2023
CASA	\$ 5,000	\$ 38,061
Family Support Program	18,663	57,495
Community programs	169,142	232,439
Child Advocacy Center	220,039	222,774
Circle Preschool	162,408	219,784
Staff recognition event	504	-
Salaries for mental health services	323,155	197,188
	\$ 898,911	\$ 967,741

10. Liquidity and Availability of Financial Assets:

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

	2024	2023
Cash	\$ 3,301,177	\$ 3,008,074
Marketable securities	-	17,781
Accounts receivable, net of allowances	112,300	77,221
Grants receivable	361,023	186,942
Pledges receivable, net of allowances	174,589	259,935
Total	3,949,089	3,549,953
Net assets with donor restrictions	208,806	400,637
Financial assets available in one year for general expenditure	\$ 3,740,283	\$ 3,149,316

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$75,000, which it could draw upon as described in Note 5. The Organization also has investments held at The Community Foundation for a greater Richmond ("The Community Foundation") in the Endowment, which could be used if certain conditions are met as described in Note 4.

SUPPLEMENTAL INFORMATION

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Greater Richmond SCAN (Stop Child Abuse Now), Inc. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Greater Richmond SCAN (Stop Child Abuse Now), Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Greater Richmond SCAN (Stop Child Abuse Now), Inc.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

Greater Richmond SCAN (Stop Child Abuse Now), Inc. has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

See independent auditor's report.

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Department of Justice:				
Victims of Child Abuse	16.575	VA Department of Criminal Justice Services	24-D4126VP22	\$ 149,571
National Court Appointed Special Advocate	16.575	VA Department of Criminal Justice Services	507677	86,840
Child Advocacy Centers	16.575	VA Department of Social Services	FAM-22-100-09	<u>256,322</u>
Total expenditures under Federal Assistance Listing No. 16.575				492,733
Child Advocacy Centers	16.758	National Children's Alliance	RICH-VA-CORE22	58,536
Total Department of Justice				<u>551,269</u>
Department of Treasury:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	VA Dept of Criminal Justice	511023	35,100
Coronavirus State and Local Fiscal Recovery Funds	21.027	VA Dept of Criminal Justice	512735	1,540
Coronavirus State and Local Fiscal Recovery Funds	21.027	VA Dept of Social Services	FAM-22-080	300,401
Coronavirus State and Local Fiscal Recovery Funds	21.027	VA Dept of Social Services	OTR-23-036	50,800
Coronavirus State and Local Fiscal Recovery Funds	21.027	VA Dept of Social Services, Office of Trauma and Policy	Unknown	8,690
Total expenditures under Federal Assistance Listing No. 21.027 / Department of Treasury				<u>396,531</u>
Department of Health and Human Services:				
Injury Prevention and Control Research	93.136	VA Department of Health	709BY210033	53,992
Injury Prevention and Control Research	93.136	VA Department of Health	709DR2400293	42,685
Mental Health Block Grant - APRA COVID Supplemental	93.958	VA Dept of Behavioral Health and Developmental Services	YDDJ5AXA1NX88	11,130
Child Abuse and Neglect Prevention	93.590	VA Department of Social Services	FAM-21-073-16	19,346
Child Advocacy Centers	93.558	VA Department of Social Services	FAM-22-100-09	134,381
Total Department of Health and Human Services				<u>261,534</u>
Department of Agriculture:				
The Child and Adult Care Food Program	10.558	Childcare Resources	Unknown	6,941
Total				<u>\$ 1,216,275</u>

See independent auditor's report.

**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
Greater Richmond SCAN (Stop Child Abuse Now), Inc.
Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Greater Richmond SCAN (Stop Child Abuse Now), Inc. (a nonprofit organization) (the “Organization”) which comprise the statement of financial position as of June 30, 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, and have issued our report thereon dated November 18, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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.

A handwritten signature in black ink, appearing to read "Keita", with a long horizontal flourish extending to the right.

November 18, 2024
Glen Allen, Virginia

**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
Greater Richmond SCAN (Stop Child Abuse Now), Inc.
Richmond, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Greater Richmond SCAN (Stop Child Abuse Now), Inc.’s (a nonprofit organization) (the “Organization”) compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (“OMB”) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024. 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, the Organization 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 year ended June 30, 2024.

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

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Keita", with a stylized flourish at the end.

November 18, 2024
Glen Allen, Virginia

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

A. SUMMARY OF AUDIT RESULTS:

- (1) The auditor's report expresses an unmodified opinion on the basic financial statements.
- (2) No material weaknesses or significant deficiencies in internal control were disclosed during the audit.
- (3) No noncompliance which is material to the financial statements was disclosed by the audit of the financial statements.
- (4) No material weaknesses or significant deficiencies relating to the audit of the major federal award programs were disclosed by the audit.
- (5) The auditor's report on compliance for the major federal award programs expresses an unmodified opinion on compliance for major programs.
- (6) No audit findings were disclosed by the audit.
- (7) Major Programs:
21.027 – Coronavirus State and Local Fiscal Recovery Funds
- (8) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (9) The auditee did qualify as a low risk auditee.

B. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS:

None

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None

GREATER RICHMOND SCAN (STOP CHILD ABUSE NOW), INC.

Corrective Action Plan
Year Ended June 30, 2024

Not Applicable