

**CRY – CHILD RIGHTS AND  
YOU AMERICA, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023 AND 2022**



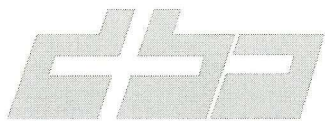
**DePaola, Begg & Associates, P.C.**  
Certified Public Accountants

# CRY - CHILD RIGHTS AND YOU AMERICA, INC.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
CRY - Child Rights and You America, Inc.

### **Opinion**

We have audited the accompanying financial statements of CRY – Child Rights and You America, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 CRY – Child Rights and You America, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conduct our audits in accordance with auditing standards generally accepted in the United States of America. 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 CRY – Child Rights and You 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CRY- Child Rights and You America Inc.'s ability to continue as a going concern within one year after the date that the financial statements were 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 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 CRY – Child Rights and You 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 CRY – Child Rights and You 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.

*DePaola Begg & Assoc. P.C.*

Hyannis, Massachusetts  
August 30, 2024



**CRY - CHILD RIGHTS AND YOU AMERICA, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 2,305,429	\$ 2,788,338
Short term investments	949,883	-
Accounts receivable	4,835	1,042
Prepaid expenses	1,800	-
Total Current Assets	<u>3,261,947</u>	<u>2,789,380</u>
<b>FIXED ASSETS:</b>		
Office equipment	12,139	8,914
Less accumulated depreciation	<u>(5,967)</u>	<u>(3,910)</u>
Total Fixed Assets	<u>6,172</u>	<u>5,004</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,268,119</u></u>	<u><u>\$ 2,794,384</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 4,126	\$ 7,747
Accrued expenses	14,500	13,500
Oak Foundation grants payable	373,157	319,786
Total Current Liabilities	<u>391,783</u>	<u>341,033</u>
<b>NET ASSETS:</b>		
Without donor restrictions	<u>2,876,336</u>	<u>2,453,351</u>
Total Net Assets	<u>2,876,336</u>	<u>2,453,351</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,268,119</u></u>	<u><u>\$ 2,794,384</u></u>

See independent auditor's report and notes to financial statements

**CRY - CHILD RIGHTS AND YOU AMERICA, INC.**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
	<b>Without Donor</b>	<b>Without Donor</b>
	<b><u>Restrictions</u></b>	<b><u>Restrictions</u></b>
<b>REVENUES AND SUPPORT:</b>		
Contributions and grants	\$ 1,212,975	\$ 972,426
Fundraising events		
Revenue raised	1,449,425	1,285,006
Expenses incurred	(293,403)	(215,065)
Net Fundraising Event Revenue	<u>1,156,022</u>	<u>1,069,941</u>
Paycheck Protection Program loan forgiveness income	-	55,865
Interest income	<u>20,055</u>	<u>1,722</u>
Total Revenues and Other Support	<u>2,389,052</u>	<u>2,099,954</u>
<b>EXPENSES:</b>		
Program/grant services	1,314,984	1,111,065
Fundraising	304,223	299,642
Administrative	<u>346,860</u>	<u>309,521</u>
Total Expenses	<u>1,966,067</u>	<u>1,720,228</u>
<b>CHANGES IN NET ASSETS</b>	422,985	379,726
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>2,453,351</u>	<u>2,073,625</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,876,336</u>	<u>\$ 2,453,351</u>

See independent auditor's report and notes to financial statements

**CRY - CHILD RIGHTS AND YOU AMERICA, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Program/Grant Expenses:</b>		
India grant projects	\$ 1,254,984	\$ 1,051,065
US grant projects	<u>60,000</u>	<u>60,000</u>
<b>Total Program/Grant Expenses</b>	<u><u>\$ 1,314,984</u></u>	<u><u>\$ 1,111,065</u></u>
<b>Fundraising Expenses:</b>		
Payroll	\$ 187,820	\$ 160,495
Service charges	84,973	103,192
Office & software	27,010	34,180
Travel	<u>4,420</u>	<u>1,775</u>
<b>Total Fundraising Expenses</b>	<u><u>\$ 304,223</u></u>	<u><u>\$ 299,642</u></u>
<b>Administrative Expenses:</b>		
Payroll	\$ 207,801	\$ 200,903
Professional services	74,083	51,181
Travel and seminar/conference	22,309	12,947
Rent	10,320	9,680
License and registration fees	8,276	7,590
Dues	7,369	5,740
Insurance	5,828	5,390
Service charges	4,152	4,354
Telephone and internet services	2,412	2,228
Depreciation	2,057	1,625
Postage	820	4,669
Electricity	655	117
Advertising	403	260
Office supplies	<u>375</u>	<u>2,837</u>
<b>Total Administrative Expenses</b>	<u><u>\$ 346,860</u></u>	<u><u>\$ 309,521</u></u>

See independent auditor's report and notes to financial statements



**CRY - CHILD RIGHTS AND YOU AMERICA, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 422,985	\$ 379,726
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	655	117
Paycheck Protection Program loan forgiveness income	-	(55,865)
(Increase) in accounts receivable	(3,793)	(543)
(Increase)/Decrease in prepaid expenses	(1,800)	35,407
(Decrease) in accounts payable	(3,621)	(1,591)
Increase in accrued expenses	1,000	500
Increase in Oak Foundation grants payable	53,371	319,786
Net Cash Provided by Operating Activities	<u>468,797</u>	<u>677,537</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(949,883)	-
Purchase of fixed assets	(3,225)	(4,058)
Net Cash (Used by) Investing Activities	<u>(953,108)</u>	<u>(4,058)</u>
<b>NET (DECREASE)/INCREASE IN CASH</b>	<u>(484,311)</u>	<u>673,479</u>
<b>CASH - BEGINNING OF YEAR</b>	<u>2,786,830</u>	<u>2,113,351</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 2,302,519</u></u>	<u><u>\$ 2,786,830</u></u>
<b>Supplemental disclosure:</b>		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report and notes to financial statements



# CRY – CHILD RIGHTS AND YOU AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Purpose - CRY – Child Rights and You America, Inc. (the Organization) was established in November 2002 as a Delaware Corporation and is a not-for-profit organized under Section 501(c)(3) of the Internal Revenue Code. The mission of the Organization is to raise funds for and public awareness of the problems that face underprivileged children, with emphasis on children living in India.

Basis of Accounting - The Organization's policy is to prepare its financial statements on the accrual basis of accounting; consequently, certain revenues are recognized when earned rather than when cash is received, and certain expenses are recognized when the obligation is incurred rather than when the cash is disbursed.

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 Not-for-Profit Entities 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 Not-for-Profit Entities "Presentation of Financial Statements" 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 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 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.

At December 31, 2023 and 2022, there were no assets with donor restrictions.

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



# CRY - CHILD RIGHTS AND YOU AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash - For the purposes of the statement of cash flows, the Organization considers checking accounts, saving accounts, money market instruments and all highly liquid debt instruments with an original maturity of three months or less to be cash and cash equivalents.

Concentration of credit risk - The Organization maintains bank accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 as of December 31, 2023 and 2022. The Organization may from time to time hold cash in one institution for more than \$250,000 but does not expect to incur any losses on these accounts and does not consider that a significant credit risk. At December 31, 2023 and 2022, the Organization had approximately \$1,340,368 and \$1,566,155, respectively, of its cash balance in excess of FDIC limits.

Adoption of New Accounting Policy - Effective January 1, 2023, the Organization adopted Accounting Standards Update ("ASU") 2016-13, Financial Instruments – Credit Losses. This ASU introduces a "current expected credit loss" ("CECL") model which requires all expected credit losses for financial instruments held at the reporting date to be based on historical experience, current conditions, and reasonable supportable forecasts. The CECL model replaces the existing incurred loss method and is applicable to the measurement of credit losses of financial assets. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization subject to the guidance in ASC 326, Financial Instruments – Credit Losses, were accounts receivable related to promises to give. The impact of this ASU adoption was not material to the financial statements and primarily resulted in enhanced financial statement disclosures.

Fair Value Measurements - The Organization follows the provisions of the *Fair Value Measurements and Disclosures* Topic of the FASB ASC. This topic clarifies that fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. This topic establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Determining where an asset or liability falls within the hierarchy depends on the lowest level input that is significant to the fair value measurement as a whole. The three levels of the fair value hierarchy are described below.

Level 1 – Quoted prices that are available in active markets for identical assets or liabilities.



# CRY - CHILD RIGHTS AND YOU AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued) - Level 2 – Pricing inputs other than quoted prices in active markets, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Fixed Assets - Fixed assets are recorded at cost. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation for the years ending December 31, 2023 and 2022 totaled \$2,057 and \$1,625, respectively. Depreciation is provided for using the straight-line method over the following estimated useful lives:

Classification

Life

Equipment

5 years

Income Taxes - The Organization is a public charity exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Management believes that the Organization operates in a manner consistent with its tax-exempt status at both the federal and state levels. The Organization annually files IRS Form 990 – *Return of Organization Exempt from Income Tax* reporting various information that the IRS uses to monitor the activities of tax-exempt entities. These tax returns are subject to review of the taxing authorities, generally for three years after they were filed. The federal tax returns for years 2022, 2021, and 2020 remain open for review. The Organization currently has no tax examinations in progress.

Contributions - All contributions (including pledges receivable) are considered available for unrestricted use, unless specifically restricted by the donor. Donations and membership dues received with donor program restrictions and/or time restrictions are recorded as net assets with restrictions. When a donor restriction expires, that is, when a stipulated time restriction applies or a purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

# CRY - CHILD RIGHTS AND YOU AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition – Contributions and grants, including unconditional promises to give, are recognized when received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. The Organization will recognize outstanding pledges as accounts receivable if the amount to be received can be reasonably estimated, and the collection is assured.

Fundraising events revenue is primarily derived from contributions collected and fees charged for admissions at various sponsored events. This revenue is recognized when earned.

Marketing - The Organization expenses advertising costs as they are incurred.

Functional Allocation of Expenses - The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among program/grant services, fundraising, and administrative based upon estimates of time spent by specific employees and professional service providers at such activity.

### NOTE 2 - LICENSING AGREEMENT WITH CHILD RELIEF AND YOU, INDIA

The Organization has entered into an agreement, dated July 23, 2004, with Child Relief and You, India (CRY India), a public charity trust of India. The agreement allows the Organization to use the CRY India name, trademark and logo. This agreement also outlines services provided to the Organization by CRY India for the purpose of facilitating grants made to India-based projects. The Organization has also entered into an agreement with CRY India under which CRY India will provide grant management services for all grants made in India. During the years ended December 31, 2023 and 2022, the Organization made total grants to CRY India in the amount of \$1,254,984 and \$1,051,065, respectively. At December 31, 2023 and 2022 there were no grants payable related to this agreement.

### NOTE 3 - INVESTMENTS

Investments, at market value, are comprised of certificates of deposit with original maturities of 6 to 12 months. Interest rates on these certificates of deposit range from 5.14% - 5.25%. The market value used was pricing inputs other than quoted prices in active markets, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities (Level 2 within the fair value hierarchy).



# CRY - CHILD RIGHTS AND YOU AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

### NOTE 3 - INVESTMENTS (CONTINUED)

The Organization's certificates of deposit consisted of the following as of December 31, 2023 and 2022:

	<u>12/31/2023</u>	
	<u>Cost</u>	<u>Fair Market Value</u>
Certificates of deposit	<u>\$ 949,381</u>	<u>\$ 949,883</u>

	<u>12/31/2022</u>	
	<u>Cost</u>	<u>Fair Market Value</u>
Certificates of deposit	<u>\$ -</u>	<u>\$ -</u>

### NOTE 4 - AGENCY LIABILITY

The Organization acts as an agency on behalf of the Oak Foundation to facilitate grants to various organizations in India. During the years ended December 31, 2023 and 2022 the Organization received \$1,230,982 and \$1,337,603, respectively, from the Oak Foundation and spent \$1,169,128 and \$1,052,117, respectively, on grants to organizations in India. \$8,483 and \$78,897 was recorded as contributions and grants revenue for the years ended December 31, 2023 and 2022, respectively. At December 31, 2023 and 2022 there was \$373,157 and \$319,786, respectively, in Oak Foundation grants payable.

### NOTE 5 - OCCUPANCY

The Organization leases office space in Braintree, Massachusetts on an annual basis. The lease provided for a monthly rate of \$115 per month, which was renegotiated in October 2023 to be \$500 per month for more office space. The Organization also leases office space, from the president of the Organization, in New York on an annual basis at a rate of \$700 per month. Rent expensed and paid for the years ended December 31, 2023 and 2022 was \$10,320 and \$9,680, respectively. Rent expense for the year end December 31, 2024 is expected to be \$14,400.

# CRY - CHILD RIGHTS AND YOU AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

### NOTE 6 - LIQUIDITY AND AVAILABILITY

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

	<u>2023</u>	<u>2022</u>
Cash	\$ 2,305,429	\$ 2,788,338
Short term investments	949,883	
Accounts receivable	4,835	1,042
Prepaid expenses	1,800	-
Total	<u>\$ 3,261,947</u>	<u>\$ 2,789,380</u>

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures.

### NOTE 7 - PAYCHECK PROTECTION PROGRAM

On March 17, 2021 the Organization received the second round of Paycheck Protection Program ("PPP") loan proceeds of \$55,865. This loan matured March 2023. The PPP, which was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provided for loans to qualifying businesses for amounts up to 2.5 times certain average monthly payroll expenses of the qualifying business. The loan and accrued interest, or a portion thereof, may be forgiven after a 24-week period as long as the loan proceeds are used for eligible purposes including payroll, benefits, rent, mortgage interest and utilities, and maintains its payroll levels, as defined by the PPP. At least 60% of the loan proceeds must be spent on payroll costs, as defined by the PPP for the loan forgiveness.

The Organization used the funds for its intended purpose and received confirmation the loan had been forgiven in full in March 2022. The loan was recorded as Paycheck Protection Program loan forgiveness income on the statement of activities during the year ending December 31, 2022.

### NOTE 8 - SUBSEQUENT EVENTS - DATE OF MANAGEMENT REVIEW

The Organization has evaluated subsequent events through August 30, 2024, the date through which the financial statements were available to be issued and has determined that there are no subsequent events that require disclosure under FASB ASC Topic 855 - Subsequent Events.