

*Financial Statements and  
Supplementary Information*

**CENTER FOR CHILD COUNSELING, INC.**

**September 30, 2021**

**CENTER FOR CHILD COUNSELING, INC.**

**Financial Statements and  
Supplementary Information**

**September 30, 2021**

**(With Independent Auditor's Report Thereon)**

CENTER FOR CHILD COUNSELING, INC.

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### **Independent Auditor's Report**

To the Board of Directors  
Center For Child Counseling, Inc.

We have audited the accompanying financial statements of Center For Child Counseling, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center For Child Counseling, Inc. as of September 30, 2021, 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 24, 2021 on our consideration of the Center for Child Counseling, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is 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 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 Center for Child Counseling, Inc.'s internal control over financial reporting and compliance.

### **Report on Summarized Comparative Information**

We have previously audited the Center for Child Counseling, Inc.'s 2020 financial statements, and our report dated December 15, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Schaefer, Tschoy, Whittemt, Mitchell & Shuilen, LLP*

Maitland, Florida  
November 24, 2021

CENTER FOR CHILD COUNSELING, INC.

**Statement of Financial Position**

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b><u>Assets</u></b>		
Cash	\$ 2,934,904	2,358,128
Accounts receivable	338,907	307,588
Deposits and other assets	17,280	16,663
Property and equipment (note 3)	16,140	31,715
Beneficial interest in assets held by Community Foundation (note 5)	129,561	-
Total assets	<u>\$ 3,436,792</u>	<u>2,714,094</u>
<b><u>Liabilities and Net Assets</u></b>		
Accounts payable and accrued expenses	\$ 90,429	191,736
Paycheck protection program note payable (note 8)	-	588,500
Total liabilities	<u>90,429</u>	<u>780,236</u>
Commitments (note 4)		
Net assets:		
Without donor restrictions	3,216,802	1,933,858
With donor restrictions	129,561	-
Total net assets	<u>3,346,363</u>	<u>1,933,858</u>
Total liabilities and net assets	<u>\$ 3,436,792</u>	<u>2,714,094</u>

See accompanying notes to the financial statements.

CENTER FOR CHILD COUNSELING, INC.

**Statement of Activities**

For the year ended September 30, 2021

(With summarized comparative information for the year ended September 30, 2020)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>2020</b>
Support and revenue:				
Monthly reimbursement contracts	\$ 2,659,054	-	2,659,054	2,135,247
Government funds	327,729	-	327,729	318,366
Other grants	1,136,664	129,561	1,266,225	859,557
Paycheck protection program grant (note 8)	588,500	-	588,500	-
Contributions	162,803	-	162,803	212,213
In-kind contributions	406,020	-	406,020	421,072
Program fees	858,793	-	858,793	918,216
Special events less direct benefit to donor cost of \$0 and \$35,355	1,400	-	1,400	29,316
Other income	1,650	-	1,650	543
Interestment income	18,164	-	18,164	12,952
Net assets released from restriction	-	-	-	-
Total support and revenue	<u>6,160,777</u>	<u>129,561</u>	<u>6,290,338</u>	<u>4,907,482</u>
Expenses and losses:				
Program services	4,089,696	-	4,089,696	3,949,418
Supporting services:				
Management and general	625,800	-	625,800	502,440
Fundraising	162,337	-	162,337	134,168
Total expenses	<u>4,877,833</u>	<u>-</u>	<u>4,877,833</u>	<u>4,586,026</u>
Change in net assets	1,282,944	129,561	1,412,505	321,456
Net assets at beginning of period	<u>1,933,858</u>	<u>-</u>	<u>1,933,858</u>	<u>1,612,402</u>
Net assets at end of period	<u>\$ 3,216,802</u>	<u>129,561</u>	<u>3,346,363</u>	<u>1,933,858</u>

See accompanying notes to the financial statements.

CENTER FOR CHILD COUNSELING, INC.

**Statement of Functional Expenses**

For the year ended September 30, 2021

(With summarized comparative information for the year ended September 30, 2020)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>	<u>2020</u>
Payroll and related benefits	\$ 3,147,015	279,826	149,244	3,576,085	3,440,168
Contract labor	15,682	-	-	15,682	19,158
Program supplies	77,248	7,723	-	84,971	52,899
Rent	208,477	17,601	4,354	230,432	198,058
Utilities and maintenance	48,307	5,083	920	54,310	53,744
Telephone and computer	109,733	27,999	1,744	139,476	141,530
Accounting	2,349	4,001	-	6,350	7,100
Travel	17,720	13,388	22	31,130	69,348
Insurance	30,491	1,928	1,060	33,479	32,273
Office expense	76,707	6,207	471	83,385	63,564
Continuing education	15,203	5,545	-	20,748	7,113
Donated services and rent	220,170	181,350	4,500	406,020	421,072
Public relations	21,765	26,136	-	47,901	2,568
Depreciation	-	15,575	-	15,575	17,258
Credit card fees	1,228	-	-	1,228	-
Bad debt expense	23,219	1,265	-	24,484	29,347
Specific assistance to clients	57,453	-	-	57,453	7,109.00
Miscellaneous	16,929	32,173	22	49,124	23,717
	<u>\$ 4,089,696</u>	<u>625,800</u>	<u>162,337</u>	<u>4,877,833</u>	<u>4,586,026</u>

See accompanying notes to financial statements.



CENTER FOR CHILD COUNSELING, INC.

**Statement of Cash Flows**

For the years ended September 30, 2021 and 2020

	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Change in net assets	\$ 1,412,505	321,456
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,575	17,258
Forgiveness of PPP note payable	(588,500)	-
Changes in assets and liabilities:		
Accounts receivable	(31,319)	(55,024)
Prepaid expenses	-	2,444
Deposits and other assets	(617)	(2,393)
Accounts payable and accrued expenses	(101,307)	52,737
Net cash provided by operating activities	706,337	336,478
Cash flows from investing activities:		
Purchase of equipment	-	(4,384)
Investment in community foundation	(129,561)	-
Net cash used in investing activities	(129,561)	(4,384)
Cash flows from financing activities:		
Proceeds from note payable	-	588,500
Net cash provided by financing activities	-	588,500
Net increase in cash	576,776	920,594
Cash at beginning of period	2,358,128	1,437,534
Cash at end of period	\$ 2,934,904	2,358,128

See accompanying notes to financial statements.

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

September 30, 2021

**(1) Organization and Summary of Significant Accounting Policies**

**(a) Organization**

Center for Child Counseling (CFCC) is building the foundation for playful, healthful, and hopeful living for children, families, and communities. The organization's vision is healthy, resilient children and families through ACEs (Adverse Childhood Experiences) aware and trauma-informed communities.

To achieve this mission, CFCC is building the capacity of caregivers, families, schools, and communities to address the issue of ACEs (Adverse Childhood Experiences and Adverse Community Environments) and trauma through a lens of equity and a healing-centered approach.

Infant and Early Childhood Mental Health (IECMH) has been the foundation of CFCC's mission and expertise since being founded in 1999 to meet the social-emotional needs of babies and children impacted by adversity and trauma. Research shows that adversity and toxic stress in childhood can lead to disruption in the brain that impacts emotional and physical health throughout the lifespan. Early, effective intervention creates healthy outcomes that can change the course of a child's life.

Organizational Goals

1. Improve the social-emotional wellness of at-risk children and caregivers by providing an array of prevention, early intervention, and mental health services.
2. Improve caregivers' use of positive parenting strategies while strengthening their ability to provide an environment that promotes healthy outcomes for their children.
3. Educate and train students and mental health professionals on effective clinical models and strategies for working with children and families.

Over the past twenty-one years, Center for Child Counseling has been recognized for excellence in programming, including being the recipient of the National Easter Seals Award of Excellence, Florida Blue Foundation Sapphire Award, and Hats Off Nonprofit of the Year Award in Palm Beach County.

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

September 30, 2021

**(1) Organization and Summary of Significant Accounting Policies - Continued**

**(a) Organization - Continued**

CFCC has developed programs based on the latest research about the impact of trauma on brain development in childhood, providing multilayered prevention, early intervention, and mental health treatment for children at-risk for or struggling with social-emotional or behavioral difficulties related to abuse, violence, and other forms of toxic stress or trauma that impact healthy development and learning. Services focus on the timely identification, through screening and observation, of concerns and provision of assessment, consultation, and support for children exposed to a variety of factors, including:

- Use of harsh parent strategies, including physical abuse
- Exposure to domestic and/or community violence
- Caregiver arrest, incarceration, or absence from the home
- Caregiver or family history of substance abuse and/or mental illness
- Homelessness or lack of housing stability
- Family member's chronic illness or sudden death
- Separation from parent(s) or placement in foster care
- Exposure to chronic, toxic stress and Adverse Childhood Experiences (ACEs)

**Key Programs**

Center for Child Counseling is changing child health outcomes through three strategies that address trauma and ACEs:

**Education and Prevention Services:** Building the capacity of adult caregivers and communities to address the impact of trauma and adversity on children and adolescents.

**Fighting ACEs Initiative:** Advocacy, outreach, and awareness using a public health approach to mitigate the impact of Adverse Childhood Experiences and trauma, which can impact physical and emotional health throughout the lifespan.

**The Institute for Clinical Training:** Nationwide clinical workshops, professional development and continued education, student internships, and communitywide workshops for teachers, parents, and caregivers.

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

September 30, 2021

**(1) Organization and Summary of Significant Accounting Policies - Continued**

**(a) Organization - Continued**

**Key Programs - Continued**

Our clinical programs deliver treatment to those in current need of professional support:

- **Child and Family Center.** A safe place for children and families to heal, resolve problems, learn new skills, and find joy in being a family again
- **Child First.** National, evidence-based model that works with vulnerable young children and their families, providing intensive, home-based services.
- **Infant Mental Health.** Counseling for pregnant women, new mothers, and young children experiencing stress and trauma.
- **Childhood Trauma Response.** Assessment and counseling for children, ages birth to 18 entering foster and relative caregiving in the child welfare system.
- **Childcare and Community Social-Emotional Wellness (CCSEW).** Prevention, early intervention, and treatment for children in childcare centers and schools throughout Palm Beach County. Includes Stop Now and Plan (SNAP®), an evidence-based intervention to increase prosocial skills in 6-11-yr-olds.
- **School-Based Mental Health.** Co-located counseling and crisis support for students in Palm Beach County elementary schools.

Center for Child Counseling has faced the challenge of the COVID-19 pandemic head on, through innovation and reimaging the service delivery model. CFCC is using telehealth and virtual learning to continue to deliver all programming, training, and mental health consultation. CFCC also embarked on a campaign to provide age-specific, developmentally appropriate Home Therapy Play and Tool Kits to effectively guide creative expression and help develop positive child-caregiver interactions. The kits facilitate the effective implementation of evidence-based clinical models such as Child-Parent Psychotherapy (CPP) and Filial Therapy, with the therapist virtually guiding the caregiver before and during sessions with the child.

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

September 30, 2021

**(1) Organization and Summary of Significant Accounting Policies - Continued**

**(b) Basis of Presentation**

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

Unconditional promises to give (pledges) are recorded as receivables and revenue, and the Organization distinguishes between promises received for each net asset category in accordance with donor restrictions, if any.

Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- ◆ Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations.
- ◆ Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

**(c) Cash**

Cash is defined as amounts in the Organization's checking and savings accounts.

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

September 30, 2021

**(1) Organization and Summary of Significant Accounting Policies - Continued**

**(d) Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized as contribution revenue when the Organization meets or fulfills the condition which the donor established. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**(e) Donated Property and Equipment**

Donated asset items for use directly by the Organization, such as office furniture and equipment, are recorded as contributions and as fixed assets. They are valued at their fair market value at the time of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated materials to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. No donated property and equipment was received during the years ended September 30, 2021 and 2020.

**(f) Donated Services**

Donated services for which there is an objective basis for valuation and meeting the requirements for recognition are recorded as a revenue and expense item in the accompanying financial statements at their stated fair market value. Such donated services are reported as unrestricted support. Donated services in the amount of \$316,986 and \$291,292 for program and management were received during the years ended September 30, 2021 and 2020, respectively, and were included as in-kind contributions in the accompanying statement of activities.

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

September 30, 2021

**(1) Organization and Summary of Significant Accounting Policies - Continued**

**(f) Donated Services - Continued**

Labor provided for fundraising events is obtained through the donated time of volunteers. The Organization does not pay fundraising volunteers. The estimated value of volunteer services was approximately \$4,500 and \$16,330, for the years ended September 30, 2021 and 2020, respectively.

Rent-In-Kind – dedicated space is provided, free of charge, at various locations (such as preschools) where agency services are provided on site. The rent-in-kind amounted to approximately \$89,034 and \$98,160 for the years ended September 30, 2021 and 2020, respectively.

**(g) Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Management estimates the fair market value of donated inventory, property and equipment, if not provided by the donor.

**(h) Income Taxes**

The Organization qualifies as a tax-exempt Organization under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity. Therefore, the Organization makes no provision for federal income taxes.

The Organization adopted the provisions of the Income Tax Topic of the ASC. These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of September 30, 2021, Center For Child Counseling, Inc. had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

September 30, 2021

**(1) Organization and Summary of Significant Accounting Policies - Continued**

**(h) Income Taxes - Continued**

The Organization's income tax return is subject to review and examination by federal authorities. The tax returns for the years ended 2018 to 2020 are open to examination by federal authorities.

**(i) Beneficial Interest in Assets Held by Community Foundation**

The Organization has an interest in the Community Foundation for Palm Beach and Martin Counties (CF) which carried investments in marketable securities with readily determinable fair values and all investments in debt securities are at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

**(j) Revenue Recognition**

Revenue and support are recognized as they are earned. Contributions, including unconditional promises to give, are recognized as revenue in the period made or received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Program fees and monthly reimbursement contracts are fees earned by the performance of services and are recognized as the services are provided. Revenue is reported as an increase in unrestricted net assets unless use of the asset is limited by donor imposed or contractual restrictions. Income received for future periods is recorded as deferred revenue and recognized as income as earned. Expenses are reported as decreases in unrestricted net assets. Expirations of the temporary donor imposed or contractual restrictions on net assets are reported as reclassifications to unrestricted net assets in the period in which the restrictions expired. A restriction expires when the stipulated time period has lapsed and/or the stipulated purpose has been fulfilled.

**(k) Functional Allocation of Expenses**

The costs incurred by the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services of the Organization. These allocations have been made based on considerations of time and space usage.



CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

September 30, 2021

**(1) Organization and Summary of Significant Accounting Policies - Continued**

**(l) Prior year Comparative Data**

The financial statements include certain prior year summarized comparative information. This information has been presented in order to provide an understanding of changes in the Organization's financial position and activities. The prior year information in the statement of activities is presented in total but not by net asset class and, as such, does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In addition, certain amounts have been reclassified in order to conform with the current year's presentation.

**(m) Subsequent Events**

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through November 24, 2021, which is the date the financial statements were available to be issued.

**(2) Liquidity and Availability**

As of September 30, 2021, the Organization has \$3,273,811 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of September 30, 2021 available to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$ 2,934,904
Accounts receivable	<u>338,907</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,273,811</u>

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

September 30, 2021

**(3) Property and Equipment**

Property and equipment consist of the following at September 30, 2021:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 99,497	99,497
Less accumulated depreciation	<u>(83,357)</u>	<u>(67,782)</u>
	<u>\$ 16,140</u>	<u>31,715</u>

Depreciation expense amounted to \$15,575 and \$17,258 for the years ended September 30, 2021 and 2020, respectively.

**(4) Lease Commitment**

The Organization leases four operating/administrative facilities under lease agreements accounted for as operating leases. Rent expense for the year ended September 30, 2021 and 2020 was approximately \$230,432 and \$198,058, respectively. Commitments under the existing operating lease agreement at September 30, 2021 are approximately as follows:

<u>Year ending September 30,</u>	<u>Northlake</u>	<u>Northlake 303/305</u>	<u>5205 Buildings</u>	<u>KAS</u>	<u>Total</u>
2022	\$ 73,786	48,061	53,707	61,784	237,338
2023	76,000	49,504	55,318	63,646	244,468
2024	78,280	50,988	56,978	65,555	251,801
2025	80,628	52,518	58,687	67,522	259,355

**(5) Beneficial Interest in Assets Held by Community Foundation for Palm Beach and Martin Counties**

The Organization has transferred funds to CF to establish a fund, which is considered component funds of CF. The terms of the fund agreement with CF provide, among other things, that distributions are subject to CF's policies. The Organization may recommend distribution from certain funds at any time; however, all recommendations are solely advisory and may be accepted or rejected by CF. At the time of the transfers, the Organization granted variance power to CF. That power gives CF the right to modify or eliminate any restrictions, limitation or condition on the distribution of funds, including their use for any specified purposes or their distribution to specific organizations.

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

September 30, 2021

**(5) Beneficial Interest in Assets Held by Community Foundation for Palm Beach and Martin Counties - Continued**

The fund is presented in the statements of financial position as beneficial interests in assets held by CF and are considered Level 3 financial instruments, as they are pooled into various investment funds held by CF.

**(6) Cash Basis Statement of Functional Expenses**

The accompanying statements of functional expense includes donated services and use of facilities as required by generally accepted accounting principles. For informational purposes, the following schedule presents the Organization's expenses on a functional basis without donated services and use of facilities:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Payroll and related benefits	\$ 3,147,015	279,826	149,244	3,576,085
Contract labor	15,682	-	-	15,682
Program supplies	77,248	7,723	-	84,971
Rent	208,477	17,601	4,354	230,432
Utilities and maintenance	48,307	5,083	920	54,310
Telephone and computer	109,733	27,999	1,744	139,476
Accounting	2,349	4,001	-	6,350
Travel	17,720	13,388	22	31,130
Insurance	30,491	1,928	1,060	33,479
Office expense	76,707	6,207	471	83,385
Continuing education	15,203	5,545	-	20,748
Public relations	21,765	26,136	-	47,901
Depreciation	-	15,575	-	15,575
Credit card fees	1,228	-	-	1,228
Bad debt expense	23,219	1,265	-	24,484
Specific assistance to clients	57,453	-	-	57,453
Miscellaneous	16,929	32,173	22	49,124
	<u>\$ 3,869,526</u>	<u>444,450</u>	<u>157,837</u>	<u>4,471,863</u>

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

September 30, 2021

**(7) Coronavirus Pandemic**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been an impact to the Organization's operations, such as shifting some counseling to on-line. Future potential impacts may include disruptions or restrictions on our employees' ability to work. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of donors to continue to contribute or clients to continue making payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

**(8) Paycheck Protection Program (PPP) Loan**

In April 2020 the Organization applied for and received a loan in the amount of \$588,500 pursuant to the Paycheck Protection Program (PPP) established by the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide relief in connection with the coronavirus pandemic. The note bears interest at 1% and is subject to a payment deferral period of six months. However, the note and related interest are subject to forgiveness when the proceeds of the loan are used to fund payroll and other allowable expenses as defined by the PPP. The Organization has received confirmation of forgiveness. Therefore, the loan in the amount of \$588,500 is presented as Paycheck Protection Program grant revenue on the accompanying statement of activities.

## **SUPPLEMENTARY INFORMATION**

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**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***

The Board of Directors  
Center for Child Counseling, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Center for Child Counseling, Inc. Inc., which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, and cash flows for the period then ended, and the related notes to the financial statements, and have issued our report thereon dated November 24, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Center for Child Counseling, Inc.'s internal control over financial reporting (internal control) to determine the 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 Center for Child Counseling, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Center for Child Counseling, Inc.'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization'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 Center for Child Counseling, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

*Schatz, Tschagg, Whittemut, Mitchell & Shuidan, LLP*

Maitland, Florida  
November 24, 2021