Financial Statements and Supplementary Information

CENTER FOR CHILD COUNSELING, INC.

September 30, 2020
CENTER FOR CHILD COUNSELING, INC.

Financial Statements and
Supplementary Information

September 30, 2020

(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, 2020, 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, 2020, 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 December 15, 2020 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.

Schacter, Tischer, Weitzen, Mitchell & Sheilin, LLP

December 15, 2020
CENTER FOR CHILD COUNSELING, INC.

Statement of Financial Position

September 30, 2020

Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 2,358,128</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>307,588</td>
</tr>
<tr>
<td>Deposits and other assets</td>
<td>16,663</td>
</tr>
<tr>
<td>Property and equipment (note 3)</td>
<td>31,715</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 2,714,094</strong></td>
</tr>
</tbody>
</table>

Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 191,736</td>
</tr>
<tr>
<td>Paycheck protection program note payable (note 7)</td>
<td>588,500</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>780,236</strong></td>
</tr>
</tbody>
</table>

Commitments (note 4)

Net assets without donor restrictions                                         | 1,933,858|

**Total liabilities and net assets**                                           | **$ 2,714,094** |

See accompanying notes to the financial statements.
CENTER FOR CHILD COUNSELING, INC.

Statement of Activities

For the year ended September 30, 2020

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support and revenue:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly reimbursement contracts</td>
<td>$ 2,135,247</td>
<td>-</td>
<td>2,135,247</td>
</tr>
<tr>
<td>Government funds</td>
<td>318,366</td>
<td>-</td>
<td>318,366</td>
</tr>
<tr>
<td>Other grants</td>
<td>859,557</td>
<td>-</td>
<td>859,557</td>
</tr>
<tr>
<td>Contributions</td>
<td>212,213</td>
<td>-</td>
<td>212,213</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>421,072</td>
<td>-</td>
<td>421,072</td>
</tr>
<tr>
<td>Program fees</td>
<td>918,216</td>
<td>-</td>
<td>918,216</td>
</tr>
<tr>
<td>Special events less direct benefit to donor cost of $35,355</td>
<td>29,316</td>
<td>-</td>
<td>29,316</td>
</tr>
<tr>
<td>Other income</td>
<td>543</td>
<td>-</td>
<td>543</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>12,952</td>
<td>-</td>
<td>12,952</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>243,260</td>
<td>(243,260)</td>
<td>-</td>
</tr>
<tr>
<td>Total support and revenue</td>
<td>5,150,742</td>
<td>(243,260)</td>
<td>4,907,482</td>
</tr>
</tbody>
</table>

Expenses and losses:

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>3,949,418</td>
<td>-</td>
<td>3,949,418</td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>502,440</td>
<td>-</td>
<td>502,440</td>
</tr>
<tr>
<td>Fundraising</td>
<td>134,168</td>
<td>-</td>
<td>134,168</td>
</tr>
<tr>
<td>Total expenses</td>
<td>4,586,026</td>
<td>-</td>
<td>4,586,026</td>
</tr>
</tbody>
</table>

Change in net assets

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at beginning of period</td>
<td>1,369,142</td>
<td>243,260</td>
<td>1,612,402</td>
</tr>
</tbody>
</table>

Net assets at end of period

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 1,933,858</td>
<td>-</td>
<td>1,933,858</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
CENTER FOR CHILD COUNSELING, INC.

Statement of Functional Expenses

For the year ended September 30, 2020

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll and related benefits</td>
<td>$3,088,943</td>
<td>256,552</td>
<td>94,673</td>
<td>3,440,168</td>
</tr>
<tr>
<td>Contract labor</td>
<td>-</td>
<td>6,471</td>
<td>12,687</td>
<td>19,158</td>
</tr>
<tr>
<td>Program supplies</td>
<td>51,853</td>
<td>994</td>
<td>52</td>
<td>52,899</td>
</tr>
<tr>
<td>Rent</td>
<td>182,975</td>
<td>12,240</td>
<td>2,843</td>
<td>198,058</td>
</tr>
<tr>
<td>Utilities and maintenance</td>
<td>48,674</td>
<td>4,670</td>
<td>400</td>
<td>53,744</td>
</tr>
<tr>
<td>Telephone and computer</td>
<td>115,215</td>
<td>25,085</td>
<td>1,230</td>
<td>141,530</td>
</tr>
<tr>
<td>Accounting</td>
<td>1,250</td>
<td>5,850</td>
<td>-</td>
<td>7,100</td>
</tr>
<tr>
<td>Travel</td>
<td>58,512</td>
<td>10,795</td>
<td>41</td>
<td>69,348</td>
</tr>
<tr>
<td>Insurance</td>
<td>27,925</td>
<td>3,860</td>
<td>488</td>
<td>32,273</td>
</tr>
<tr>
<td>Office expense</td>
<td>48,840</td>
<td>11,390</td>
<td>3,334</td>
<td>63,564</td>
</tr>
<tr>
<td>Continuing education</td>
<td>6,445</td>
<td>668</td>
<td>-</td>
<td>7,113</td>
</tr>
<tr>
<td>Donated services and rent</td>
<td>282,017</td>
<td>122,725</td>
<td>16,330</td>
<td>421,072</td>
</tr>
<tr>
<td>Public relations</td>
<td>1,309</td>
<td>1,112</td>
<td>147</td>
<td>2,568</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>17,258</td>
<td>-</td>
<td>17,258</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>23,572</td>
<td>4,098</td>
<td>1,677</td>
<td>29,347</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>11,888</td>
<td>18,672</td>
<td>266</td>
<td>30,826</td>
</tr>
</tbody>
</table>

$3,949,418  502,440  134,168  4,586,026

See accompanying notes to financial statements.
CENTER FOR CHILD COUNSELING, INC.

Statement of Cash Flows

For the year ended September 30, 2020

Cash flows from operating activities:
  Change in net assets $ 321,456
  Adjustments to reconcile change in net
  assets to net cash provided by operating activities:
    Depreciation 17,258
    Changes in assets and liabilities:
      Accounts receivable (55,024)
      Prepaid expenses 2,444
      Deposits and other assets (2,393)
      Accounts payable and accrued expenses 52,737
    Net cash provided by operating activities 336,478

Cash flows from investing activities:
  Purchase of equipment (4,384)
  Net cash used in investing activities (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 920,594

Cash at beginning of period 1,437,534

Cash at end of period $ 2,358,128

See accompanying notes to financial statements.
CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

September 30, 2020

(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, 2020

(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 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.

Child and Family Center: Provides a safe place for children and families to heal, resolve problems, learn new skills, and find the joy in being a family again.

Child First Program: A national, evidence-based model that works with vulnerable young children and their families, providing intensive, home-based services.
Organization and Summary of Significant Accounting Policies - Continued

(a) Organization - Continued

Key Programs - Continued

Infant Mental Health Program: Counseling for pregnant women, new mothers, and young children experiencing stress and trauma.

Childhood Trauma Response Program: Assessment and counseling for children, ages birth to 18 entering foster and relative care.

Children's Behavioral Health Collaborative (CBHC): Counseling and support for at-risk children and families in need of behavioral health services throughout Palm Beach County.

Childcare and Community Social-Emotional Wellness (CCSEW) Program: Prevention, early intervention, and treatment for children in childcare centers, shelters, and elementary schools throughout Palm Beach County.

Stop Now and Plan (SNAP®) Program: A evidence-based prevention program for children ages 6-11. SNAP® provides ‘high-risk’ children and their families’ strategies to increase pro-social skills that will help children stay in school and out of trouble by making better choices.

School-Based Mental Health Program: In partnership with the School District of Palm Beach County, CFCC provides counseling in elementary schools for children living in high-risk communities, including the Glades.

Institute for Clinical Training: Clinical workshops for professionals, a year-long internship program for students, and community-wide workshops for parents and caregivers.

Fighting ACEs Initiative: Education, advocacy, outreach, and intervention that focuses on Adverse Childhood Experiences which impact physical and emotional health throughout the lifespan.
(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.
(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 year ended September 30, 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 $291,292 for program and management were received during the year ended September 30, 2020, and were reported as contributions in the accompanying statement of activities.

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 $10,930, for the year ended September 30, 2020.
(1) **Organization and Summary of Significant Accounting Policies - Continued**

(f) **Donated Services - Continued**

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 $98,160 for the year ended September 30, 2020.

(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, 2020, Center For Child Counseling, Inc. had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization’s income tax return is subject to review and examination by federal authorities. The tax returns for the years ended 2017 to 2019 are open to examination by federal authorities.
CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

September 30, 2020

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

(i) 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.

(j) 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.

(k) Subsequent Events

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through December 15, 2020, which is the date the financial statements were available to be issued.

(2) Liquidity and Availability

As of September 30, 2020, the Organization has $2,665,716 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.
CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

September 30, 2020

(2) Liquidity and Availability - Continued

The following table reflects the Organization’s financial assets as of September 30, 2020 available to meet general expenditures within one year of the statement of financial position date.

<table>
<thead>
<tr>
<th>Financial Asset</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,606,936</td>
</tr>
<tr>
<td>Investments</td>
<td>751,192</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>307,588</td>
</tr>
<tr>
<td>Financial assets available to meet</td>
<td></td>
</tr>
<tr>
<td>cash needs for general expenditures</td>
<td></td>
</tr>
<tr>
<td>within one year</td>
<td>$2,665,716</td>
</tr>
</tbody>
</table>

(3) Property and Equipment

Property and equipment consist of the following at September 30, 2020:

<table>
<thead>
<tr>
<th>Property and Equipment Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and equipment</td>
<td>$99,497</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(67,782)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$31,715</td>
</tr>
</tbody>
</table>

Depreciation expense amounted to $17,258 for the year ended September 30, 2020.

(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, 2020 was approximately $198,058. Commitments under the existing operating lease agreement at September 30, 2020 are approximately as follows:

<table>
<thead>
<tr>
<th>Year ending September 30,</th>
<th>Northlake 303/305</th>
<th>Northlake</th>
<th>5205 Buildings</th>
<th>KAS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$71,637</td>
<td>46,662</td>
<td>52,143</td>
<td>59,985</td>
<td>230,427</td>
</tr>
<tr>
<td>2022</td>
<td>73,786</td>
<td>48,061</td>
<td>53,707</td>
<td>61,784</td>
<td>237,338</td>
</tr>
<tr>
<td>2023</td>
<td>76,000</td>
<td>49,504</td>
<td>55,318</td>
<td>63,646</td>
<td>244,468</td>
</tr>
<tr>
<td>2024</td>
<td>78,280</td>
<td>50,988</td>
<td>56,978</td>
<td>65,555</td>
<td>251,801</td>
</tr>
<tr>
<td>Thereafter</td>
<td>80,628</td>
<td>52,518</td>
<td>58,687</td>
<td>67,522</td>
<td>259,355</td>
</tr>
</tbody>
</table>
(5) **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:

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll and related benefits</td>
<td>3,088,943</td>
<td>256,552</td>
<td>94,673</td>
<td>3,440,168</td>
</tr>
<tr>
<td>Contract labor</td>
<td>-</td>
<td>6,471</td>
<td>12,687</td>
<td>19,158</td>
</tr>
<tr>
<td>Program supplies</td>
<td>51,853</td>
<td>994</td>
<td>52</td>
<td>52,899</td>
</tr>
<tr>
<td>Rent</td>
<td>182,975</td>
<td>12,240</td>
<td>2,843</td>
<td>198,058</td>
</tr>
<tr>
<td>Utilities and maintenance</td>
<td>48,674</td>
<td>4,670</td>
<td>400</td>
<td>53,744</td>
</tr>
<tr>
<td>Telephone and computer</td>
<td>115,215</td>
<td>25,085</td>
<td>1,230</td>
<td>141,530</td>
</tr>
<tr>
<td>Accounting</td>
<td>1,250</td>
<td>5,850</td>
<td>-</td>
<td>7,100</td>
</tr>
<tr>
<td>Travel</td>
<td>58,512</td>
<td>10,795</td>
<td>41</td>
<td>69,348</td>
</tr>
<tr>
<td>Insurance</td>
<td>27,925</td>
<td>3,860</td>
<td>488</td>
<td>32,233</td>
</tr>
<tr>
<td>Office expense</td>
<td>48,840</td>
<td>11,390</td>
<td>3,334</td>
<td>63,564</td>
</tr>
<tr>
<td>Continuing education</td>
<td>6,445</td>
<td>668</td>
<td>-</td>
<td>7,113</td>
</tr>
<tr>
<td>Public relations</td>
<td>1,309</td>
<td>1,112</td>
<td>147</td>
<td>2,568</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>17,258</td>
<td>-</td>
<td>17,258</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>23,572</td>
<td>4,098</td>
<td>1,677</td>
<td>29,347</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>11,888</td>
<td>18,672</td>
<td>266</td>
<td>30,826</td>
</tr>
</tbody>
</table>

$ 3,667,401 379,715 117,838 4,164,954

(6) **Subsequent Event - 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.
(7) **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 not yet applied to have the loan forgiven and there is no assurance that such request will be granted. Therefore, the loan in the amount of $588,500 is presented on the accompanying statement of financial position.
SUPPLEMENTARY INFORMATION
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, 2020, 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 December 15, 2020.

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.

Schater, Trichoff, Whiteman, Mitchell & Sheidler, LLP

Maitland, Florida
December 15, 2020