

*Financial Statements and
Supplementary Information*

CENTER FOR CHILD COUNSELING, INC.

September 30, 2022

CENTER FOR CHILD COUNSELING, INC.

**Financial Statements and
Supplementary Information**

September 30, 2022

(With Independent Auditor's Report Thereon)

CENTER FOR CHILD COUNSELING, INC.

Table of Contents

Independent Auditor’s Report.....1

Financial Statements:

 Statements of Financial Position.....4

 Statement of Activities.....5

 Statement of Functional Expenses6

 Statements of Cash Flows.....7

Notes to Financial Statements.....8

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.....19

SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

Michael R. Schafer, CPA
Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 312
Maitland, Florida 32751
(407) 875-2760

Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Center For Child Counseling, Inc. (a nonprofit corporation), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center For Child Counseling, Inc. as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Center For Child Counseling, 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 Center For Child Counseling, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Center For Child Counseling, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Center For Child Counseling, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2023 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 2021 financial statements, and our report dated November 24, 2021, 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, Whittemut, Mitchell & Shuilen, LLP

Maitland, Florida
January 4, 2023

CENTER FOR CHILD COUNSELING, INC.

Statements of Financial Position

September 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|------------------|
| <u>Assets</u> | | |
| Cash | \$ 3,013,154 | 2,934,904 |
| Accounts receivable | 485,798 | 338,907 |
| Deposits and other assets | 27,699 | 17,280 |
| Property and equipment (note 3) | 5,875 | 16,140 |
| Beneficial interest in assets held by Community Foundation (note 5) | 197,058 | 129,561 |
| Total assets | <u>\$ 3,729,584</u> | <u>3,436,792</u> |
| <u>Liabilities and Net Assets</u> | | |
| Accounts payable and accrued expenses | <u>\$ 124,353</u> | <u>90,429</u> |
| Total liabilities | <u>124,353</u> | <u>90,429</u> |
| Commitments (note 4) | | |
| Net assets: | | |
| Without donor restrictions | 3,519,398 | 3,216,802 |
| With donor restrictions | 85,833 | 129,561 |
| Total net assets | <u>3,605,231</u> | <u>3,346,363</u> |
| Total liabilities and net assets | <u>\$ 3,729,584</u> | <u>3,436,792</u> |

See accompanying notes to the financial statements.

CENTER FOR CHILD COUNSELING, INC.

Statement of Activities

For the year ended September 30, 2022

(With summarized comparative information for the year ended September 30, 2021)

| | Without Donor Restrictions | With Donor Restrictions | 2022 Total | 2021 |
|--|---|--|-----------------------|-------------|
| Support and revenue: | | | | |
| Monthly reimbursement contracts | \$ 2,417,796 | - | 2,417,796 | 2,659,054 |
| Government funds | 315,866 | - | 315,866 | 327,729 |
| Other grants | 1,078,414 | 90,000 | 1,168,414 | 1,266,225 |
| Paycheck protection program grant (note 7) | - | - | - | 588,500 |
| Contributions | 148,978 | - | 148,978 | 162,803 |
| In-kind contributions | 464,822 | - | 464,822 | 406,020 |
| Program fees | 789,428 | - | 789,428 | 858,793 |
| Special events | 3,600 | - | 3,600 | 1,400 |
| Other income | 9,290 | - | 9,290 | 1,650 |
| Investment income (loss) | (15,191) | - | (15,191) | 18,164 |
| Net assets released from restriction | 133,728 | (133,728) | - | - |
| Total support and revenue | 5,346,731 | (43,728) | 5,303,003 | 6,290,338 |
| Expenses and losses: | | | | |
| Program services | 4,141,660 | - | 4,141,660 | 4,089,696 |
| Supporting services: | | | | |
| Management and general | 767,465 | - | 767,465 | 625,800 |
| Fundraising | 135,010 | - | 135,010 | 162,337 |
| Total expenses | 5,044,135 | - | 5,044,135 | 4,877,833 |
| Change in net assets | 302,596 | (43,728) | 258,868 | 1,412,505 |
| Net assets at beginning of period | 3,216,802 | 129,561 | 3,346,363 | 1,933,858 |
| Net assets at end of period | \$ 3,519,398 | 85,833 | 3,605,231 | 3,346,363 |

See accompanying notes to the financial statements.

CENTER FOR CHILD COUNSELING, INC.

Statement of Functional Expenses

For the year ended September 30, 2022

(With summarized comparative information for the year ended September 30, 2021)

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fund Raising</u> | <u>2022 Total</u> | <u>2021</u> |
|--------------------------------|-----------------------------|-----------------------------------|-------------------------|-----------------------|------------------|
| Payroll and related benefits | \$ 3,162,926 | 331,533 | 127,972 | 3,622,431 | 3,576,085 |
| Contract labor | 23,486 | - | - | 23,486 | 15,682 |
| Program supplies | 68,053 | 86 | - | 68,139 | 84,971 |
| Rent | 233,593 | 14,365 | 3,397 | 251,355 | 230,432 |
| Utilities and maintenance | 49,307 | 7,624 | 720 | 57,651 | 54,310 |
| Telephone and computer | 160,586 | 34,446 | 1,455 | 196,487 | 139,476 |
| Professional fees | 913 | 17,691 | - | 18,604 | 6,350 |
| Travel | 56,228 | 23,355 | 231 | 79,814 | 31,130 |
| Insurance | 30,181 | 2,421 | 1,130 | 33,732 | 33,479 |
| Office expense | 56,165 | 4,027 | 69 | 60,261 | 83,385 |
| Continuing education | 12,351 | 194 | 36 | 12,581 | 20,748 |
| Donated services and rent | 238,022 | 226,800 | - | 464,822 | 406,020 |
| Public relations | 22,088 | 58,654 | - | 80,742 | 47,901 |
| Depreciation | 8,725 | 1,540 | - | 10,265 | 15,575 |
| Credit card fees | 1,325 | 707 | - | 2,032 | 1,228 |
| Bad debt expense | (5,310) | - | - | (5,310) | 24,484 |
| Specific assistance to clients | 1,913 | - | - | 1,913 | 57,453 |
| Miscellaneous | 21,108 | 44,022 | - | 65,130 | 49,124 |
| | <u>\$ 4,141,660</u> | <u>767,465</u> | <u>135,010</u> | <u>5,044,135</u> | <u>4,877,833</u> |

See accompanying notes to financial statements.

CENTER FOR CHILD COUNSELING, INC.

Statements of Cash Flows

For the years ended September 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 258,868 | 1,412,505 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 10,265 | 15,575 |
| Forgiveness of PPP note payable | - | (588,500) |
| Changes in assets and liabilities: | | |
| Accounts receivable | (146,891) | (31,319) |
| Deposits and other assets | (10,419) | (617) |
| Accounts payable and accrued expenses | 33,924 | (101,307) |
| Net cash provided by operating activities | <u>145,747</u> | <u>706,337</u> |
| Cash flows from investing activities: | | |
| Investment in community foundation | <u>(67,497)</u> | <u>(129,561)</u> |
| Net cash used in investing activities | <u>(67,497)</u> | <u>(129,561)</u> |
| Net increase in cash | 78,250 | 576,776 |
| Cash at beginning of period | <u>2,934,904</u> | <u>2,358,128</u> |
| Cash at end of period | <u>\$ 3,013,154</u> | <u>2,934,904</u> |

See accompanying notes to financial statements.

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

September 30, 2022

(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-three 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, 2022

(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)

Programs

- 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. Prevention, early intervention, and treatment for children in childcare centers and schools throughout PBC. Includes Stop Now and Plan (SNAP®), an evidence-based intervention to increase prosocial skills in 6–11-year-olds.
- KidSafe. Sexual abuse, human trafficking, and exploitation prevention, education, and awareness for K-5th grade.
- School-Based Mental Health. Co-located counseling and crisis support for students in Palm Beach County elementary schools.

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

September 30, 2022

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

(a) Organization - Continued

Programs - Continued

- Fighting ACEs Initiative. Advocacy, outreach, and awareness that focuses on using a public health approach to mitigate the impact of Adverse Childhood Experiences and trauma.
- Education and Prevention Services. Building capacity of adult caregivers and communities to effectively address the impact of trauma and adversity on children and adolescents.
- Pediatric Integration. Integration of prevention, early intervention, and mental health services within primary care setting. Therapists and Care Coordinators are embedded and work seamlessly as part of the Pediatric team.
- Care Coordination. High quality care coordination serving all programs ensuring access and warm handoff to a spectrum of services promoting recovery, well-being, healthy lifestyles.

During the pandemic, CFCC saw a significant increase in child sexual abuse and violence and partnership with the KidSafe Foundation to tackle this crisis together. Realizing the organizations would be stronger together, CFCC officially merged with KidSafe on October 1, 2022. As a program of CFCC, the program will reach more children, schools, and organizations to prevent child sexual abuse and trafficking.

The engaging, child friendly KidSafe curriculum was developed by a team of sexual abuse prevention experts with decades of experience. It includes videos created by a professional animator, following a group of characters from kindergarten to 5th grade, with age-appropriate safety skills and lessons.

Center for Child Counseling has faced the challenge of the COVID-19 pandemic head on, through innovation and reimagining 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, 2022

(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.

(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.

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

September 30, 2022

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

(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, 2022 and 2021.

(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 \$369,776 and \$316,986 for program and management were received during the years ended September 30, 2022 and 2021, respectively, and were included as in-kind 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 \$0 and \$4,500, for the years ended September 30, 2022 and 2021, 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 \$95,046 and \$89,034 for the years ended September 30, 2022 and 2021, respectively.

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

September 30, 2022

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

(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, 2022, 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 2019 to 2021 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.

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

September 30, 2022

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

(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.

(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 January 4, 2023, which is the date the financial statements were available to be issued.

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

September 30, 2022

(2) Liquidity and Availability

As of September 30, 2022, the Organization has \$3,498,952 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, 2022 available to meet general expenditures within one year of the statement of financial position date.

| | |
|---|---------------------|
| Cash and cash equivalents | \$ 3,013,154 |
| Accounts receivable | 485,798 |
| | <hr/> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 3,498,952</u> |

(3) Property and Equipment

Property and equipment consist of the following at September 30:

| | <u>2022</u> | <u>2021</u> |
|-------------------------------|-----------------|-----------------|
| Furniture and equipment | \$ 99,497 | 99,497 |
| Less accumulated depreciation | <u>(93,622)</u> | <u>(83,357)</u> |
| | <u>\$ 5,875</u> | <u>16,140</u> |

Depreciation expense amounted to \$10,265 and \$15,575 for the years ended September 30, 2022 and 2021, respectively.

(4) Lease Commitment

The Organization leases five operating/administrative facilities under lease agreements accounted for as operating leases. Rent expense for the year ended September 30, 2022 and 2021 was approximately \$251,355 and \$230,432, respectively. Commitments under the existing operating lease agreement at September 30, 2022 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>301 C</u> | <u>Total</u> |
|--------------------------------------|------------------|------------------------------|---------------------------|------------|--------------|--------------|
| 2023 | \$ 76,000 | 49,504 | 55,318 | 63,646 | 24,563 | 269,031 |
| 2024 | 78,280 | 50,988 | 56,978 | 65,555 | 25,300 | 277,101 |
| 2025 | 80,628 | 52,518 | 58,687 | 67,522 | 26,059 | 285,414 |

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

September 30, 2022

(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.

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 | \$ 3,162,926 | 331,533 | 127,972 | 3,622,431 |
| Contract labor | 23,486 | - | - | 23,486 |
| Program supplies | 68,053 | 86 | - | 68,139 |
| Rent | 233,593 | 14,365 | 3,397 | 251,355 |
| Utilities and maintenance | 49,307 | 7,624 | 720 | 57,651 |
| Telephone and computer Accounting | 160,586 | 34,446 | 1,455 | 196,487 |
| Professional fees | - | - | - | - |
| Travel | 913 | 17,691 | - | 18,604 |
| Insurance | 56,228 | 23,355 | 231 | 79,814 |
| Office expense | 30,181 | 2,421 | 1,130 | 33,732 |
| Continuing education | 56,165 | 4,027 | 69 | 60,261 |
| Public relations | 12,351 | 194 | 36 | 12,581 |
| Depreciation | 22,088 | 58,654 | - | 80,742 |
| Credit card fees | 8,725 | 1,540 | - | 10,265 |
| Bad debt expense | 1,325 | 707 | - | 2,032 |
| Specific assistance to clients | (5,310) | - | - | (5,310) |
| Miscellaneous | 1,913 | - | - | 1,913 |
| | 21,108 | 44,022 | - | 65,130 |
| | <u>\$ 3,903,638</u> | <u>540,665</u> | <u>135,010</u> | <u>4,579,313</u> |

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

September 30, 2022

(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 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. For the year ended September 30, 2021.

SUPPLEMENTARY INFORMATION

Michael R. Schafer, CPA
Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 312
Maitland, Florida 32751
(407) 875-2760

Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

**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, 2022, 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 January 4, 2023.

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, Tschoff, Whitcomb, Mitchell & Shulman, LLP

Maitland, Florida
January 4, 2023