

*Financial Statements and  
Supplementary Information*

**CENTER FOR CHILD COUNSELING, INC.**

**May 31, 2017**

**CENTER FOR CHILD COUNSELING, INC.**

**Financial Statements and  
Supplementary Information**

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**(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 May 31, 2017, 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 May 31, 2017, 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 October 4, 2017 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.

*Schaefer, Tschoff, Whittemut, Mitchell & Shuilen, LLP*

October 4, 2017

CENTER FOR CHILD COUNSELING, INC.

**Statement of Financial Position**

May 31, 2017

**Assets**

Cash	\$ 563,165
Accounts receivable	174,511
Pledges receivable (note 2)	100,000
Inventory	632
Prepaid expenses	18,148
Deposits and other assets	25,035
Property and equipment (note 3)	46,224
	<hr/>
Total assets	\$ 927,715

**Liabilities and Net Assets**

Accounts payable and accrued expenses	\$ 89,667
	<hr/>
Total liabilities	89,667
Commitments (note 4)	
Net assets:	
Unrestricted	738,048
Temporarily restricted	100,000
	<hr/>
Total net assets	838,048
	<hr/>
Total liabilities and net assets	\$ 927,715

See accompanying notes to the financial statements.

CENTER FOR CHILD COUNSELING, INC.

**Statement of Activities**

For the year ended May 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contracts and grants	\$ 810,814	100,000	910,814
Contributions	653,944	-	653,944
In-kind contributions	771,943	-	771,943
Program fees	723,272	-	723,272
Other income	8,725	-	8,725
Special event, net of direct benefits to donor cost of \$27,137	17,035	-	17,035
Interest and dividend income	2,646	-	2,646
Net assets released from restriction	99,333	(99,333)	-
Total support and revenue	<u>3,087,712</u>	<u>667</u>	<u>3,088,379</u>
Expenses and losses:			
Program services	2,430,832	-	2,430,832
Supporting services:			
Management and general	211,251	-	211,251
Fundraising	64,035	-	64,035
Total expenses	<u>2,706,118</u>	<u>-</u>	<u>2,706,118</u>
Change in net assets	381,594	667	382,261
Net assets at beginning of year	<u>356,454</u>	<u>99,333</u>	<u>455,787</u>
Net assets at end of year	<u>\$ 738,048</u>	<u>100,000</u>	<u>838,048</u>

See accompanying notes to the financial statements.

CENTER FOR CHILD COUNSELING, INC.

**Statement of Functional Expenses**

For the year ended May 31, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Payroll and related benefits	\$ 1,431,527	76,468	28,626	1,536,621
Contract labor	71,975	-	611	72,586
Program expenses	23,649	-	-	23,649
Rent	74,856	10,319	625	85,800
Utilities and maintenance	4,140	571	35	4,746
Telephone and computer	43,032	2,300	859	46,191
Accounting	-	3,500	-	3,500
Travel	47,803	2,555	954	51,312
Insurance	8,230	440	164	8,834
Office expense	18,898	1,010	377	20,285
Continuing education	12,149	-	-	12,149
Volunteer service	619,015	102,260	28,905	750,180
In-kind rent	21,763	-	-	21,763
Accreditation	1,875	-	-	1,875
Fundraising	-	-	2,091	2,091
Depreciation	-	9,719	-	9,719
Bad debt expense	10,371	-	-	10,371
Miscellaneous	41,549	2,109	788	41,549
	<u>\$ 2,430,832</u>	<u>211,251</u>	<u>64,035</u>	<u>2,706,118</u>

See accompanying notes to financial statements.



CENTER FOR CHILD COUNSELING, INC.

**Statement of Cash Flows**

For the year ended May 31, 2017

Cash flows from operating activities:	
Change in net assets	\$ 382,261
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	9,719
Changes in assets and liabilities:	
Accounts receivable	(40,133)
Pledges receivable	(100,000)
Inventory	1,802
Prepaid expenses	(11,045)
Deposits and other assets	(15,143)
Accounts payable and accrued expenses	<u>25,026</u>
Net cash provided by operating activities	<u>252,487</u>
Cash flows from investing activities:	
Acquisition of property and equipment	<u>(21,464)</u>
Net cash used in investing activities	<u>(21,464)</u>
Net increase in cash	231,023
Cash at beginning of year	<u>332,142</u>
Cash at end of year	<u><u>\$ 563,165</u></u>

See accompanying notes to financial statements.

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

May 31, 2017

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

(a) **Organization**

Center For Child Counseling, Inc. (CCC or the Organization) was incorporated in the State of Florida as a not-for-profit corporation on June 23, 1999 to meet the social-emotional needs of young children (ages birth to 5) in Palm Beach County facing adversity.

For the past eighteen years, the Center for Child Counseling has provided counseling and support for children and adult caregivers impacted by trauma, violence, and abuse through quality services at local childcare centers in high-risk neighborhoods, shelters for victims of domestic violence, homeless shelters, schools, the organization's Child & Family Center in Palm Beach Gardens, and the Palm Healthcare Pavilion in West Palm Beach.

The Center for Child Counseling's programs and expertise are grounded in research about early brain development and the impact of adversity and trauma on development and health throughout the lifespan. Poverty, violence, and abuse in the earliest years of life are forms of "toxic stress" that can fundamentally change the developing brain. Secure, stable, supportive relationships between children and caring adults in the family and community contribute significantly to children's healthy brain development by buffering the brain from the damage due to high stress while simultaneously creating environments that promote healthy social-emotional, cognitive, learning, and health outcomes. This the foundation of the organization's mission.

Current programs now include:

- Child First: A national, evidence-based model that works with vulnerable young children and their families, providing intensive, home-based services.
- 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.
- Infant Mental Health Program: Counseling for pregnant women, new mothers, and young children experiencing stress and trauma.
- Children's Behavioral Health Collaborative: Counseling and support for at-risk children and families in need of behavioral health services throughout Palm Beach County.

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

May 31, 2017

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

(a) **Organization (Continued)**

- Childcare and Community Social-Emotional Wellness Program: Prevention, early intervention, and treatment for young children in childcare centers and shelters throughout Palm Beach County.
- 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.
- Childhood Trauma Response Program: Assessment and counseling for children, ages birth to 6 entering the foster care system.
- Infant Mental Health Program: Counseling for pregnant women, new mothers, and young children experiencing stress and trauma.

(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.

The financial statements are prepared on an entity wide basis, focusing on the organization as a whole and present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by aggregating all funds into one set of financial statements and classifying fund balances and transactions into three classes of net assets - permanently restricted, temporarily restricted or unrestricted as follows:

**Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. There were no permanently restricted net assets as of May 31, 2017.

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

May 31, 2017

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

(b) **Basis of Presentation (Continued)**

**Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. Temporarily restricted net assets consist of contributions received and restricted by the donors for specific purposes.

**Unrestricted net assets** - Net assets not subject to donor-imposed stipulations. The Organization reports donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

Contributions are generally recognized as revenue when the gift is made and are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the presence or absence and type of donor imposed restrictions or conditions.

(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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

May 31, 2017

(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 temporarily restricted net assets to unrestricted net assets at that time. No donated property and equipment was received during the year ended May 31, 2017.

(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 \$771,943 were received during the year ended May 31, 2017 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 \$29,000.

(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.

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

May 31, 2017

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

(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 May 31, 2017, 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 returns are subject to review and examination by federal authorities. The tax returns for the years ended 2014 to 2016 are open to examination by federal authorities.

(i) **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.

(j) **Subsequent Events**

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through October 4, 2017, which is the date the financial statements were available to be issued.

CENTER FOR CHILD COUNSELING, INC.

**Notes to Financial Statements**

May 31, 2017

(2) **Pledge Receivable**

Pledge receivable, net of discount to present value are due in equal installments over the next two years. Management believes the pledge is fully collectable, and therefore, there is no allowance for doubtful accounts.

(3) **Property and Equipment**

Property and equipment consist of the following at May 31, 2017:

Furniture and equipment	\$ 63,422
Less accumulated depreciation	<u>(17,198)</u>
	<u>\$ 46,224</u>

Depreciation expense amounted to \$9,719 for the year ended May 31, 2017.

(4) **Lease Commitment**

The Organization leases three operating/administrative facilities under lease agreements accounted for as operating leases. Rent expense for the year ended May 31, 2017 was approximately \$86,000. Commitments under the existing operating lease agreement at May 31, 2017 are approximately as follows:

<u>Year ending May 31,</u>	<u>Woodbine Commons</u>	<u>Northlake</u>	<u>Northlake Number 2</u>	<u>Total</u>
2018	\$ 23,681	64,362	24,767	112,810
2019	15,952	66,930	26,744	109,626
2020	-	68,929	27,546	96,475
2021	-	22,976	-	22,976

CENTER FOR CHILD COUNSELING, INC.

Notes to Financial Statements

May 31, 2017

(5) Cash Basis Statement of Functional Expenses

The accompanying statement of functional expenses 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	\$1,431,527	76,468	28,626	1,536,621
Contract labor	71,975	-	611	72,586
Program expenses	23,649	-	-	23,649
Rent	74,856	10,319	625	85,800
Utilities and maintenance	4,140	571	35	4,746
Telephone and computer	43,032	2,300	859	46,191
Accounting	-	3,500	-	3,500
Travel	47,803	2,555	954	51,312
Insurance	8,230	440	164	8,834
Office expense	18,898	1,010	377	20,285
Continuing education	12,149	-	-	12,149
Accreditation	1,875	-	-	1,875
Fundraising	-	-	2,091	2,091
Depreciation	-	9,719	-	9,719
Bad debt expense	10,371	-	-	10,371
Miscellaneous	41,549	2,109	788	41,549
	<u>\$ 1,790,054</u>	<u>108,991</u>	<u>35,130</u>	<u>1,934,175</u>



## **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 Trustees  
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 May 31, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 4, 2017.

**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  
October 4, 2017