

Children's Bereavement Center, Inc.
(Not-For-Profit Organization)
Financial Statements
June 30, 2023

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Independent Auditor's Report

To the Board of Directors of
Children's Bereavement Center, Inc.

Opinion

We have audited the accompanying financial statements of Children's Bereavement Center, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Children's Bereavement Center, Inc. as of June 30, 2023, and the changes in 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 Children's Bereavement Center, 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 Children's Bereavement Center, 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 Children's Bereavement Center, Inc. internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Bereavement Center, 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.



Report on Summarized Comparative Information

We have previously audited Children's Bereavement Center, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

ZOMMA Group, LLP

Coral Gables, Florida
December 06, 2023

Children's Bereavement Center, Inc.
(Not-For-Profit Organization)
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 957,499	\$ 1,159,445
Board designated cash	-	2,402
Grants and other receivables	5,000	51,000
Prepaid expenses	-	1,879
Total current assets	962,499	1,214,726
Investments	701,226	224,848
Total assets	\$ 1,663,725	\$ 1,439,574
 Liabilities and net assets		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 35,316	\$ 8,604
Contract liabilities	123,579	96,331
Total current liabilities	158,895	104,935
 Net assets		
Without donor restrictions		
Available for use	803,604	1,107,389
Board-designated endowment	701,226	227,250
Total net assets	1,504,830	1,334,639
 Total liabilities and net assets	\$ 1,663,725	\$ 1,439,574

The accompanying notes are an integral part of these financial statements.

Children's Bereavement Center, Inc.
(Not-For-Profit Organization)
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2023 and 2022

	Without Donor Restrictions	
	2023	2022
Public support		
Grants - Local	\$ 502,471	\$ 492,226
United way	18,280	9,270
Contributions and gifts	140,684	161,554
Program income	112,622	169,753
In-kind services	22,240	85,251
Special events (net of direct costs of \$144,389 for 2023 and \$33,105 for 2022)	397,180	327,316
Interest and dividend income	16,546	895
	1,210,023	1,246,265
Functional expenses		
Program services	739,594	675,315
Management and general	142,863	110,071
Fundraising	258,721	218,477
Total functional expenses	1,141,178	1,003,863
Excess of public support over expenses	68,845	242,402
Other changes in net assets		
Investment returns, net	10,785	(26,734)
Employee retention credit funds	90,561	-
	101,346	(26,734)
Change in net assets	170,191	215,668
Net assets – beginning of year	1,334,639	1,118,971
Net assets – end of year	\$ 1,504,830	\$ 1,334,639

The accompanying notes are an integral part of these financial statements.

Children's Bereavement Center, Inc.
(Not-For-Profit Organization)
Statements of Functional Expenses
For the Year Ended June 30, 2023
(With Summarized Comparative Totals for 2022)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>	
				<u>2023</u>	<u>2022</u>
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 747
Contract labor	187,128	27,068	553	214,749	141,803
Insurance	2,683	18,603	-	21,286	19,963
Marketing and development	45,670	38	4,711	50,419	33,212
Office supplies and expenses	14,077	7,580	5,415	27,072	19,083
Payroll taxes and employee benefits	43,852	16,785	24,979	85,616	72,250
Professional and consulting	98,796	163	52,386	151,345	165,986
Program supplies	2,764	235	973	3,972	20
Rent	9,834	1,729	1,967	13,530	12,381
Salaries and wages	303,978	68,475	166,964	539,417	446,689
Training	3,010	-	100	3,110	3,376
Travel and meals	6,562	1,187	673	8,422	3,102
In-kind services and other	21,240	1,000	-	22,240	85,251
Total functional expenses	<u>\$ 739,594</u>	<u>\$ 142,863</u>	<u>\$ 258,721</u>	<u>\$ 1,141,178</u>	<u>\$ 1,003,863</u>

The accompanying notes are an integral part of these financial statements.

Children's Bereavement Center, Inc.
(Not-For-Profit Organization)
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Change in net assets	\$ 170,191	\$ 215,668
Add items which do not affect cash		
Realized gain on investments	-	(13,995)
Unrealized loss on investment	(10,785)	44,646
Add or (deduct) changes in operating assets and liabilities		
Grant and other receivables	46,000	(45,925)
Deferred revenue	27,248	(141,039)
Prepaid expenses	1,879	(1,879)
Accounts payable and accrued expenses	26,712	(8,659)
Net cash provided by operating activities	261,245	48,817
Cash flows from investing activities		
Purchase of investments	(1,271,891)	(170,876)
Reinvestment of net proceeds from sale of investments	808,120	170,414
Dividends received reinvested	(1,822)	(4,268)
Net cash used in investing activities	(465,593)	(4,730)
Net increase (decrease) in cash and cash equivalents	(204,348)	44,087
Cash and cash equivalents – beginning of year	1,161,847	1,117,760
Cash and cash equivalents – end of year	\$ 957,499	\$ 1,161,847

The accompanying notes are an integral part of these financial statements.

Note 1 Organization and Purpose

Children's Bereavement Center, Inc. (the "Organization") is a not-for-profit located in Miami, Florida that has provided free grief support groups for children, teens and adults for over 20 years. They have grief support groups for bereaved children, adults, and families in Miami-Dade, Broward, and Palm Beach County. Their goal at the Children's Bereavement Center (CBC) is to enable children and families to acknowledge change, adjust and integrate loss with healthful grief and mourning.

Note 2 Summary of Significant Accounting Policies

Basis of Financial Statements Presentation

The financial statements of the Organization have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were no such assets as of June 30, 2023 and 2022.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. In addition, the statement of functional expenses includes prior year summarized information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Note 2 Summary of Significant Accounting Policies (continued)

Use of Estimates

In preparing the financial statements of the Organization, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as of the statement of financial position date, and the revenues and expenses for the period then ended. Actual results could differ from those estimates. A description of some of the estimates used in the preparation of the financial statements is included in the following significant accounting policies.

Fair Value Measurements

Fair value measurements establish a hierarchy to prioritize the computation of fair value. Such hierarchy consist of a) - valuations based on unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), b) - valuations based on observable unadjusted quoted prices for similar assets and liabilities in active markets (Level 2), and c) - valuations based on inputs that are unobservable and are supported by little or no market activity, therefore, requiring management's best estimate of what market participants would use as fair value (Level 3).

Cash and Cash Equivalents

The Organization considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

Grant Receivable

The Organization considers the grant receivable to be collectible; accordingly, no allowance for doubtful accounts is required. When amounts are determined to be uncollectible, they are charged to operations.

Property and Equipment

Property and equipment is recorded at cost when purchased or constructed, or at market value when donated. The Organization capitalizes all expenditures in excess of \$1,000 for property and equipment at cost. Donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Expenditures for major renewals and betterment that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. At June 30, 2023 and 2022, all property and equipment was fully depreciated.

Impairment

Long-lived assets are reviewed for impairment when circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying value is impaired, the long-lived assets will be written down to their fair market value with a corresponding charge to earnings. No such impairment was recorded for the years ended June 30, 2023 and 2022.

Note 2 Summary of Significant Accounting Policies (continued)

Investments

Investments include holdings in exchange-traded funds and mutual funds and are classified as available-for-sale.

Investments are carried at fair value on the statement of financial position, with the change in fair value during the period included in earnings.

These investments' fair value is determined using Level 1 inputs, when available, such as the bid-and-asked prices publicly reported as of the date of the financial statements. Level 1 inputs generally provide the most reliable evidence of fair value. Level 2 inputs were only used when Level 1 inputs were not available, if applicable.

Realized gains and losses are determined from the proceeds from the sale in excess of related costs. Investment transactions are recognized on a trade date basis. Interest income is recognized when earned and dividend income is recognized on the ex-dividend date. Interest and dividend income is included in dividend income in the accompanying statements of activities.

The preceding methods may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future values. While management believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date and these differences could be material.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with these securities.

Donated Services

Donated services are reflected in the accompanying statement of activities at their fair value. Donated services are reflected provided that they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation as required for recognition under general accepted accounting principles (see Note 7).

Revenue Recognition

Contributions and Gifts

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. 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.

Note 2 Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Grants

Grant revenues are recognized in the period expenditures are incurred in compliance with the terms of the grants.

Program fees

Program fees are recognized on a straight-line basis over the term of the engagement.

Functional Allocation of Expenses

The costs of providing various program and supporting activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on the full time employee equivalent.

Contract Liabilities

Contract liabilities represents revenues collected but not earned as of June 30, 2023. This is primarily composed of grant funding for expenses that will be incurred in a subsequent period.

Measurement of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization’s ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes

The Organization is organized as a not-for-profit entity and is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Unrelated business income, of which the Organization had none for the years ended June 30, 2023 and 2022, would be subject to federal income taxes. The Organization’s information returns filed with the Internal Revenue Service have not been examined in the past. The Organization is not aware of any uncertainties that could jeopardize its not-for-profit status. Therefore, no provision or liability for income taxes is deemed necessary.

The Organization follows the provisions of uncertain tax provisions addressed by ASC 740-10 *Accounting For Uncertainty in Income Taxes*. The Organization has no uncertain tax positions at June 30, 2023, for which the ultimate deductibility is highly certain but for which there are uncertainty about the timing of such deductibility. The Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expense. The Organization has determined that no amount is required to be accrued for taxes or related penalties and interest for any tax position taken through June 30, 2023.

Note 2 Summary of Significant Accounting Policies (continued)

New Accounting Pronouncement

FASB Accounting Standard Codification (“ASC”) 842, *Leases*, requires leases to be capitalized as a right to use asset with a corresponding liability for leases with terms of more than twelve months. The Organization does not have any leases with an initial term of 12 months or more, therefore, none have been included in the statement of financial position. (see Note 4)

Note 3 Investments

Investments as of June 30, 2023 and 2022, as set forth by levels within the fair value hierarchy, consists of the following:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
	Level 1		Level 1	
Mutual funds	\$ 461,714	\$ 430,401	\$ 98,397	\$ 101,564
Fixed income	212,211	211,725	-	-
Exchange-traded funds	27,301	23,892	126,451	129,651
	\$ 701,226	\$ 666,018	\$ 224,848	\$ 231,215

Note 4 Commitments

The Organization has leases for storage space and post office mailbox, however, they on a month to month basis. Rental expense for the years ended June 30, 2023 and 2022 amounted to \$13,530 and \$12,381, respectively.

Note 5 Credit Risk

At times during the year, the Organization’s cash balances were in excess of the federal insured limits of \$250,000. At June 30, 2023 and 2022, the Organization’s uninsured cash balances approximated \$150,000 and \$214,000, respectively. However, the Organization maintains its cash with a high quality financial institution which the Organization believes limits these risks.

Note 6 Business and Credit Concentration

The Organization’s services are substantially paid for by local grants. For the years ended June 30, 2023 and 2022, the Organization’s revenues derived from grants approximate 44% and 43% of total revenues and contributions, net of donated services, for each respective year.

Note 7 In-Kind Services

In-kind services reflected as direct program and fundraising costs in the accompanying statement of functional expenses include the fair market value of volunteer hours, services and supplies for items required to operate the specific functions of the Organization. The in-kind support received by the Organization consists of salaries and program supplies. The total amount of goods and services received for the years ending June 30, 2023 and 2022 was \$22,240 and \$85,251, respectively.

Note 8 Board Designated Endowment

During the year ended June 30, 2014, the Organization’s board of directors established an endowment fund. The Organization’s endowment consists of investments in exchange-traded fund, mutual funds and money market funds. The funds have been designated by the board of directors to be permanent in nature and employ a long-term approach in the investment of the funds. The use of the endowment funds may be altered at the discretion of the finance committee of the board of directors, and as a result, the endowment fund has been classified within without donor restricted net assets. There were no donor-restricted gifts included in the endowment fund for the years ending June 30, 2023 and 2022.

The endowment funds are intended to maintain the purchasing power of the fund’s assets over time by keeping the long-term rate of annual spending from these assets equal to or less than the long-term real (inflation-adjusted) investment return for the assets and to provide for the operating needs of the Organization. The primary goal of the endowment is the growth of the corpus to support spending needs while preserving purchasing power in real terms and minimizing year-to-year fluctuations in the value of the portfolio.

The following summarizes the activity of the endowment fund for the years ended June 30, 2023 and 2022:

	With Donor Restrictions	
	Board Designated	
	2023	2022
Beginning balance	\$ 224,848	\$ 251,234
Purchase of securities	1,271,891	-
Sale of securities	(808,120)	-
Realized gain	-	13,995
Unrealized gain (loss)	10,785	(44,646)
Dividend income	1,822	4,265
	\$ 701,226	\$ 224,848

Note 9 Liquidity and Availability of Financial Assets

The following reflects the Organization’s financial assets as of June 30, 2023 and 2022, reduced by the amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	2023	2022
Current assets, excluding non-financial assets	\$ 962,499	\$ 1,212,847
Less: donor restrictions for specific purposes		
Donor restricted assets	-	-
	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 962,499	\$ 1,212,847

Note 10 Subsequent Events

Subsequent events have been evaluated through December 06, 2023, which is the date the financial statements were available to be issued.