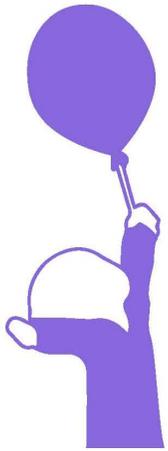


THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.

GAINESVILLE, GEORGIA



*Children's Center for*  
**Hope & Healing**

FINANCIAL STATEMENTS

(including supplemental material)

FOR THE YEARS ENDED

December 31, 2021 and 2020

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.

GAINESVILLE, GEORGIA

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Children's Center for Hope and Healing, Inc.  
Gainesville, Georgia

### **Opinion**

We have audited the accompanying financial statements of The Children's Center for Hope and Healing, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities 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 The Children's Center for Hope and Healing, Inc. as of December 31, 2021 and 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.

### **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 The Children's Center for Hope and Healing, 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 The Children's Center for Hope and Healing, 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, including omissions, 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 The Children’s Center for Hope and Healing, 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Children’s Center for Hope and Healing, 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 Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole .The Schedule of State Awards Expended on page 12 is presented for purposed of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. Including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Alexander, Almand & Bangs, LLP*

Alexander, Almand & Bangs, LLP

Gainesville, Georgia

November 10, 2022

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
STATEMENTS OF FINANCIAL POSITION

|   | December 31,      |                   |
|---|-------------------|-------------------|
|   | 2021              | 2020              |
| <b>ASSETS</b>                           |                   |                   |
| <b>CURRENT ASSETS</b>                   |                   |                   |
| Cash and cash equivalents               | \$ 172,963        | \$ 154,802        |
| Accounts receivable - grants            | 44,124            | 53,709            |
| Accounts receivable - other             | 18,900            | 23,723            |
|   | <u>235,987</u>    | <u>232,234</u>    |
| <b>NON-CURRENT ASSETS</b>               |                   |                   |
| Equipment                               | 28,194            | 27,482            |
| Leasehold improvements                  | 1,505             | 1,505             |
| Less: accumulated depreciation          | (24,162)          | (22,743)          |
|   | <u>5,537</u>      | <u>6,244</u>      |
| Total property and equipment, net       | 5,537             | 6,244             |
| Investments                             | 14,202            | 12,652            |
|   | <u>19,739</u>     | <u>18,896</u>     |
| Total non-current assets                | 19,739            | 18,896            |
| <b>TOTAL ASSETS</b>                     | <u>\$ 255,726</u> | <u>\$ 251,130</u> |
| <b>LIABILITIES AND NET ASSETS</b>       |                   |                   |
| <b>CURRENT LIABILITIES</b>              |                   |                   |
| Accounts payable                        | \$ 3,422          | \$ 753            |
|   | <u>3,422</u>      | <u>753</u>        |
| <b>NET ASSETS</b>                       |                   |                   |
| Net assets without donor restrictions   | 233,404           | 226,654           |
| Net assets with donor restrictions      | 18,900            | 23,723            |
|   | <u>252,304</u>    | <u>250,377</u>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <u>\$ 255,726</u> | <u>\$ 251,130</u> |

The accompanying notes are an integral part of these statements.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
STATEMENTS OF ACTIVITIES

|   | For the Year Ended December 31, 2021 |                            |                   | For the Year Ended December 31, 2020 |                            |                   |
|---|--------------------------------------|----------------------------|-------------------|--------------------------------------|----------------------------|-------------------|
|   | Without Donor<br>Restrictions        | With Donor<br>Restrictions | Total             | Without Donor<br>Restrictions        | With Donor<br>Restrictions | Total             |
| <b>PUBLIC SUPPORT AND REVENUES</b>                |                                      |                            |                   |                                      |                            |                   |
| Public support                                    |                                      |                            |                   |                                      |                            |                   |
| Direct public support - contributions             | \$ 25,337                            | \$ -                       | \$ 25,337         | \$ 39,404                            | \$ -                       | \$ 39,404         |
| Indirect public support - United Way              | 66,771                               | 18,900                     | 85,671            | 66,822                               | 23,723                     | 90,545            |
| Indirect public support - 5% funds                | 24,778                               | -                          | 24,778            | 2,922                                | -                          | 2,922             |
| Fundraising                                       | 55,996                               | -                          | 55,996            | 22,156                               | -                          | 22,156            |
| Total public support                              | <u>172,882</u>                       | <u>18,900</u>              | <u>191,782</u>    | <u>131,304</u>                       | <u>23,723</u>              | <u>155,027</u>    |
| Revenue   |                                      |                            |                   |                                      |                            |                   |
| Grants  | 432,618                              | -                          | 432,618           | 453,001                              | -                          | 453,001           |
| Investment and interest                           | 1,855                                | -                          | 1,855             | 2,298                                | -                          | 2,298             |
| In-kind services                                  | 132,200                              | -                          | 132,200           | 115,126                              | -                          | 115,126           |
| Total revenue                                     | <u>566,673</u>                       | <u>-</u>                   | <u>566,673</u>    | <u>570,425</u>                       | <u>-</u>                   | <u>570,425</u>    |
| Net assets released from restrictions             |                                      |                            |                   |                                      |                            |                   |
| Program service expenses                          | 23,723                               | (23,723)                   | -                 | 27,208                               | (27,208)                   | -                 |
| <b>TOTAL PUBLIC SUPPORT AND REVENUES</b>          | <u>763,278</u>                       | <u>(4,823)</u>             | <u>758,455</u>    | <u>728,937</u>                       | <u>(3,485)</u>             | <u>725,452</u>    |
| <b>EXPENSES</b>                                   |                                      |                            |                   |                                      |                            |                   |
| Costs of direct benefits to donors                | 9,219                                | -                          | 9,219             | -                                    | -                          | -                 |
| Program services                                  | 541,830                              | -                          | 541,830           | 489,641                              | -                          | 489,641           |
| Fundraising                                       | 36,607                               | -                          | 36,607            | 22,145                               | -                          | 22,145            |
| Management and general                            | 168,872                              | -                          | 168,872           | 176,844                              | -                          | 176,844           |
| Total expenses                                    | <u>756,528</u>                       | <u>-</u>                   | <u>756,528</u>    | <u>688,630</u>                       | <u>-</u>                   | <u>688,630</u>    |
| <b>CHANGE IN NET ASSETS</b>                       | 6,750                                | (4,823)                    | 1,927             | 40,307                               | (3,485)                    | 36,822            |
| <b>NET ASSETS, beginning of year (original)</b>   | <u>226,654</u>                       | <u>23,723</u>              | <u>250,377</u>    | <u>186,347</u>                       | <u>27,208</u>              | <u>213,555</u>    |
| <b>SPECIAL LINE ITEM, prior period adjustment</b> | <u>-</u>                             | <u>-</u>                   | <u>-</u>          | <u>-</u>                             | <u>-</u>                   | <u>-</u>          |
| <b>NET ASSETS, beginning of year (restated)</b>   | <u>226,654</u>                       | <u>23,723</u>              | <u>250,377</u>    | <u>186,347</u>                       | <u>27,208</u>              | <u>213,555</u>    |
| <b>NET ASSETS, end of year</b>                    | <u>\$ 233,404</u>                    | <u>\$ 18,900</u>           | <u>\$ 252,304</u> | <u>\$ 226,654</u>                    | <u>\$ 23,723</u>           | <u>\$ 250,377</u> |

The accompanying notes are an integral part of these statements.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
STATEMENTS OF CASH FLOWS

|  | For the Years Ended<br>December 31, |            |
|--|-------------------------------------|------------|
|  | 2021                                | 2020       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                      |                                     |            |
| Excess of support and revenues<br>over expenses                                  | \$ 1,927                            | \$ 36,822  |
| Adjustments to reconcile excess<br>to net cash provided by operating activities: |                                     |            |
| Depreciation   | 1,568                               | 1,056      |
| Investment income, gains and losses  | (1,550)                             | (1,932)    |
| (Increase) decrease in:  |                                     |            |
| Accounts receivable - grants   | 9,585                               | (10,625)   |
| Accounts receivable - other  | 4,823                               | 3,485      |
| Increase (decrease) in:  |                                     |            |
| Accounts payable   | 2,669                               | (943)      |
|  | 19,022                              | 27,863     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                      |                                     |            |
| Acquisition of fixed assets  | (861)                               | (6,547)    |
|  | (861)                               | (6,547)    |
| <b>INCREASE (DECREASE) IN CASH</b>   | 18,161                              | 21,316     |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>                              | 154,802                             | 133,486    |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>                                    | \$ 172,963                          | \$ 154,802 |

The accompanying notes are an integral part of these statements.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES

|                                      | For the Year Ended 2021     |                     |                     |                         |                   | For the Year Ended 2020     |                     |                     |                         |                   |
|--------------------------------------|-----------------------------|---------------------|---------------------|-------------------------|-------------------|-----------------------------|---------------------|---------------------|-------------------------|-------------------|
|                                      | Direct Benefit<br>to Donors | Program<br>Services | Supporting Services |                         | Total             | Direct Benefit<br>to Donors | Program<br>Services | Supporting Services |                         | Total             |
|                                      |                             |                     | Fundraising         | Management<br>& General |                   |                             |                     | Fundraising         | Management<br>& General |                   |
| EXPENSES                             |                             |                     |                     |                         |                   |                             |                     |                     |                         |                   |
| Accounting                           | \$ -                        | \$ -                | \$ -                | \$ 11,500               | \$ 11,500         | \$ -                        | \$ -                | \$ -                | \$ 11,350               | \$ 11,350         |
| Consulting fees                      | -                           | -                   | -                   | -                       | -                 | -                           | -                   | -                   | 27                      | 27                |
| Depreciation                         | -                           | -                   | -                   | 1,568                   | 1,568             | -                           | -                   | -                   | 1,056                   | 1,056             |
| Dues                                 | -                           | -                   | -                   | 1,106                   | 1,106             | -                           | -                   | -                   | 867                     | 867               |
| Equipment rental                     | -                           | 7,182               | -                   | 4,788                   | 11,970            | -                           | 3,186               | -                   | 2,124                   | 5,310             |
| Insurance                            | -                           | 11,393              | -                   | 1,266                   | 12,659            | -                           | 11,295              | -                   | 1,255                   | 12,550            |
| Miscellaneous                        | -                           | 6,034               | -                   | 6,034                   | 12,068            | -                           | 6,158               | -                   | 6,160                   | 12,318            |
| Postage                              | -                           | 242                 | -                   | 565                     | 807               | -                           | 219                 | -                   | 511                     | 730               |
| Printing and publication             | -                           | -                   | 406                 | 135                     | 541               | -                           | -                   | -                   | -                       | -                 |
| Program supplies                     | -                           | 21,514              | -                   | -                       | 21,514            | -                           | 16,312              | -                   | -                       | 16,312            |
| Public relations                     | 9,219                       | -                   | 2,741               | 1,329                   | 13,289            | -                           | -                   | 410                 | 46                      | 456               |
| Rent and utilities                   | -                           | 41,051              | -                   | 17,593                  | 58,644            | -                           | 38,249              | -                   | 16,392                  | 54,641            |
| Repairs                              | -                           | -                   | -                   | 720                     | 720               | -                           | -                   | -                   | 1,665                   | 1,665             |
| Salaries, wages and related expenses | -                           | 317,172             | 33,460              | 113,693                 | 464,325           | -                           | 295,528             | 21,735              | 127,552                 | 444,815           |
| Staff and board development          | -                           | 3,790               | -                   | -                       | 3,790             | -                           | 725                 | -                   | -                       | 725               |
| Telephone                            | -                           | 7,862               | -                   | 1,965                   | 9,827             | -                           | 8,116               | -                   | 2,029                   | 10,145            |
| Travel                               | -                           | -                   | -                   | -                       | -                 | -                           | 483                 | -                   | 54                      | 537               |
| In-kind goods and services           | -                           | 125,590             | -                   | 6,610                   | 132,200           | -                           | 109,370             | -                   | 5,756                   | 115,126           |
| <b>TOTAL EXPENSES</b>                | <b>\$ 9,219</b>             | <b>\$ 541,830</b>   | <b>\$ 36,607</b>    | <b>\$ 168,872</b>       | <b>\$ 756,528</b> | <b>\$ -</b>                 | <b>\$ 489,641</b>   | <b>\$ 22,145</b>    | <b>\$ 176,844</b>       | <b>\$ 688,630</b> |

The accompanying notes are an integral part of these statements.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

The Children's Center for Hope and Healing, Inc. (CCHH) is a nonprofit organization that was incorporated in 1984 with the mission: "To restore dignity, trust and hope to individuals and families traumatized by child sexual abuse through accessible and effective therapy, advocacy and education." CCHH provides no-cost therapy through four distinctive programs: Victim Services, Project Pathfinder, Adult Services, and Prevention Services. CCHH programs provide treatment for approximately 650 families each year who live across 13 counties of Northeast Georgia. CCHH performs services through 2 two sites: Gainesville and Cumming. CCHH is part of a limited number of agencies that offer counseling services to adults and children who are survivors of sexual abuse, and CCHH is the only agency in the Northeast Georgia area that offers the specialized services of Project Pathfinder.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase.

At times, cash and cash equivalents may exceed federally insured amounts. CCHH believes it mitigates any risk by depositing cash and investing in cash equivalents with major financial institutions. For 2021, cash on deposit in non-interest bearing accounts is fully insured.

**Investments**

CCHH maintains investment funds at the North Georgia Community Foundation. The investments consist of money market accounts and investments with American Funds. These investments are measured at fair value using the Level 1 fair value hierarchy measurement. The realized and unrealized gains or losses have been recorded as investment and interest income on the statement of activities.

**Support and Revenue Recognition**

CCHH recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

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. Support that is restricted by the donor to fund program costs beyond the current year is classified as an asset with donor restrictions. Assets related to endowment funds that hold funds with specified donor-imposed restrictions are also considered with donor restrictions.

**Property and Equipment**

Property and equipment are valued at actual cost if purchased or fair market value if contributed. Depreciation is provided using the straight-line basis over the following useful lives:

|                           |               |
|---------------------------|---------------|
| Computer equipment        | 3 – 5 years   |
| Furnishings and equipment | 7 – 10 years  |
| Leasehold improvements    | 15 – 39 years |

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

**Functional Allocation of Expense**

Expenses are reported as decreases in net assets. The costs of programs, management, and fundraisers are presented in summary on the statement of activities and in more detail on the statement of functional expenses. The statement of activities and statement of functional expenses report certain categories of expenses that are attributable to more than one program or function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Certain costs have been allocated among program services and supporting services, based on the benefit received. The expenses, allocated on the basis of estimates of time and effort, include salaries, certain utilities, office and professional fees, training, and repairs. Because the main purpose of the Organization is accomplished through program services, a greater percentage of overall expenditures are allocated to programs. Management and general expenses include expenditures that are not directly identifiable to a specific program, fundraising, or development activity. Fundraising expenses are those expenditures directly associated with an activity as well as some personnel and other direct costs to carry out the activities.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results may vary from estimates.

**New Accounting Pronouncement**

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2014-09, Revenue Recognition (Topic 606). This ASU provides a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The core principle of this ASU is that an entity recognizes revenues to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU is effective for annual periods beginning after December 15, 2019 and has been implemented within the Organization to all periods presented and did not have a significant impact on the financial statements or disclosures.

The FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958). This ASU is intended to clarify and improve the scope and accounting guidance for contributions received and made, primarily by not-for-profit organizations. The amendments in this ASU provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. ASU 2018-18 is effective for annual periods beginning after December 15, 2019 and has been implemented within the Organization and applied to all periods presented and did not have a significant impact on the financial statements or disclosures.

**Income Tax**

CCHH is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

CCHH files tax returns in the U.S. federal jurisdiction. The Center adopted FASB ASC 740, *Income Taxes Overall Disclosure, Unrecognized Tax Benefit Related Disclosures*, as of January 1, 2009. Management has established procedures to identify any unrecognized tax benefit. There were no unrecognized tax benefits for 2021.

**Compensated Absences**

CCHH does not accrue compensated absences because they are considered insignificant to the financial statements.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

**NOTE 2 – GRANTS RECEIVABLE**

Grants receivable consist of the following as of:

|                   | December 31, |           |
|-------------------|--------------|-----------|
|                   | 2021         | 2020      |
| Pathfinder Grants | \$ 5,492     | \$ 16,702 |
| VOCA Grant        | 38,632       | 37,007    |
|                   | \$ 44,124    | \$ 53,709 |

**NOTE 3 – OTHER ACCOUNTS RECEIVABLE**

Other accounts receivable consists of the following as of:

|                               | December 31, |           |
|-------------------------------|--------------|-----------|
|                               | 2021         | 2020      |
| United Way - Dawson County    | \$ 900       | \$ 1,000  |
| United Way - Forsyth County   | 15,000       | 15,000    |
| United Way - Habersham County | 3,000        | 3,000     |
| United Way - Hall County      | -            | 4,723     |
|                               | \$ 18,900    | \$ 23,723 |

No allowance for estimated uncollectibles is reported, as management believes the amounts are fully collectible. Amounts are expected to be collected within 90 days of year end.

**NOTE 4 – AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets as of:

|  | December 31, |            |
|--|--------------|------------|
|  | 2021         | 2020       |
| Financial assets at year end:  |              |            |
| Cash and cash equivalents  | \$ 172,963   | \$ 154,802 |
| Grants receivable  | 44,124       | 53,709     |
| Accounts receivable  | 18,900       | 23,723     |
| Investments  | 14,202       | 12,652     |
| Total financial assets   | 250,189      | 244,886    |
| Financial assets not available to meet<br>general expenditure needs within one year: |              |            |
| Net assets with donor restrictions   | 18,900       | 23,723     |
| Financial assets available to meet<br>general expenditure needs within one year:     | \$ 231,289   | \$ 221,163 |

As part of the Organization's current liquidity management plan, the Organization has a goal to maintain financial assets to meet 3 months of normal operating expenses, which are on average, approximately \$ 189,132. In the event of an unanticipated liquidity need, the Organization feels there are enough financial assets to cover at least 3 months of necessary expenditures. In addition, the Organization is currently working on a more structured policy for its financial assets to prepare for unanticipated events.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

**NOTE 5 – FIXED ASSETS AND DEPRECIATION**

Depreciation of assets is calculated on the straight-line basis over the estimated useful lives of the assets. The cost of such assets is as follows:

|                                | December 31, |           |
|--------------------------------|--------------|-----------|
|                                | 2021         | 2020      |
| Equipment                      | \$ 28,194    | \$ 27,482 |
| Leasehold improvements         | 1,505        | 1,505     |
| Less: accumulated depreciation | (24,162)     | (22,743)  |
|                                | \$ 5,537     | \$ 6,244  |

Depreciation expense for the years ended December 31, 2021 and 2020 was \$ 1,568 and \$ 1,056, respectively.

There were no in-kind donations of assets in the current year.

**NOTE 6 – DONATED GOODS AND SERVICES**

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. CCHH receives donated services from student interns who perform counseling services for the Organization, donated space, donated information technology support and other office expenses totaling \$ 132,200 and \$ 115,126 for the years ended December 31, 2021 and 2020, respectively.

**NOTE 7 – INVESTMENTS**

The fair value of financial assets and liabilities are measured according to the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification. Fair value is required to be evaluated and adjusted according to the following valuation techniques.

Level 1 – Fair value is determined using quoted market prices in active markets for identical assets and liabilities.

Level 2 – Fair value is determined using quoted market prices in active markets for similar assets and liabilities.

Level 3 – Fair value is determined using unobservable market prices in a market that is typically inactive.

All investments are in the Level 1 category and are considered board-designated funds. These funds totaled \$ 14,202 and \$ 12,652 for the years ended December 31, 2021 and 2020, respectively.

CCHH is a beneficiary of a designated fund at the North Georgia Community Foundation and, therefore in accordance with Generally Accepted Accounting Principles (GAAP), does not record this fund. The fund had a balance of \$ 41,347 and \$ 36,865 of December 31, 2021 and 2020, respectively.

**NOTE 8 – CASH FLOWS**

For 2021 and 2020, there were no interest payments, tax payments, or non-cash investing or financing transactions.

**NOTE 9 – LEASE COMMITMENTS**

The Cumming location amendment was signed on October 1<sup>st</sup> 2021 extending the lease to January 31, 2025. Rent rate will be \$ 1,350 per month until January 31, 2023. Rent from February 1, 2023 to January 31, 2024 will be 1,375.00 per month and rent from February 1, 2024 to January 31, 2025 will be 1,400.00 per month. The remaining lease obligation totals \$ 50,900.

The rent expense totaled approximately \$ 49,525 and \$ 49,100 for the years ended December 31, 2021 and 2020, respectively, and are included in "Rent and utilities" on the statement of functional expenses.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

**NOTE 9 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 10, 2022, the date the financial statements were available to be issued. There has not been a significant event that has occurred since the statement of financial position date.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
SCHEDULE OF STATE AWARDS EXPENDED  
For the Year Ended December 31, 2021

| CONTRACT NAME/NUMBER                          | Cash<br>Received  | Expenditures      | Due To<br>State | Due From<br>State |
|---|-------------------|-------------------|-----------------|-------------------|
| US Department of Justice                      |                   |                   |                 |                   |
| Bureau of Justice Assistance                  |                   |                   |                 |                   |
| Pass-Through from State                       |                   |                   |                 |                   |
| Criminal Justice Coordinating Council         |                   |                   |                 |                   |
| VOCA Victim Assistance Grant Program          |                   |                   |                 |                   |
| 2019-2020 / C17-8-409 - Current Year          | \$ 94,609         | \$ 94,609         | -               | \$ -              |
| 2019-2020 / C17-8-409 - Prior Year Receivable | 37,007            | -                 | -               | -                 |
| 2020-2021 / C18-8-080                         | -                 | 38,633            | -               | 38,633            |
| Georgia County Departments of                 |                   |                   |                 |                   |
| Family and Children Services                  |                   |                   |                 |                   |
| Pass-Through Federal Funding                  |                   |                   |                 |                   |
| Promoting Safe and Stable Families            |                   |                   |                 |                   |
| Latino Victim's Services                      |                   |                   |                 |                   |
| 2020-2021 / 366-3725 - Current Year           | 39,185            | 39,185            | -               | -                 |
| 2020-2021 / 366-3725 - Prior Year Receivable  | 2,506             | -                 | -               | -                 |
| 2021-2022 / 366-3725                          | 8,916             | 11,726            | -               | 2,810             |
| Project Pathfinder Expansion Grant            |                   |                   |                 |                   |
| 2020-2021 / 366-2653 - Current Year           | 36,427            | 36,427            | -               | -                 |
| 2020-2021 / 366-2653 - Prior Year Receivable  | 14,196            | -                 | -               | -                 |
| 2021-2022 / 366-2653                          | 10,332            | 13,013            | -               | 2,681             |
|   | <u>\$ 243,178</u> | <u>\$ 233,593</u> | <u>-</u>        | <u>\$ 44,124</u>  |