211 PALM BEACH/TREASURE COAST, INC.

REPORT ON AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2019
(with comparable totals for 2018)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
211 Palm Beach/Treasure Coast, Inc.
Lantana, Florida

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of 211 Palm Beach/Treasure Coast, Inc. (a Florida non-profit corporation) which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of 211 Palm Beach/Treasure Coast, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity 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 our report dated November 18, 2019, on our consideration of 211 Palm Beach/Treasure Coast, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 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 211 Palm Beach/Treasure Coast, Inc.'s internal control over financial reporting and compliance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidated schedules of program expenses on pages 22-23 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the 211 Palm Beach/Treasure Coast, Inc. 2018 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 3, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
November 18, 2019

As of June 30, 2019 ***(with comparable totals for 2018)***

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 427,959	$ 318,095
Grants and allocations receivable	193,199	89,237
Accounts receivable, net	100	9,447
Prepaid expenses and other assets	41,462	41,781
Total current assets	662,720	458,560
Property and equipment, net	534,285	573,102
Total assets	$ 1,197,005	$ 1,031,662
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 130,178	$ 83,205
Current portion of mortgage payable	13,956	13,410
Deferred revenue	8,000	13,905
Deposits	10,000	10,000
Total current liabilities	162,134	120,520
Mortgage payable, net of current portion	193,483	207,029
Total liabilities	355,617	327,549
Net assets:		
Without donor restrictions	777,845	609,670
With donor restrictions	63,543	94,443
Total net assets	841,388	704,113
Total liabilities and net assets	$ 1,197,005	$ 1,031,662

See accompanying notes to consolidated financial statements.

For the Year Ended June 30, 2019 ***(with comparable totals for 2018)***

	Without Donor Restrictions	With Donor Restrictions	2019 Totals	2018 Totals
Support and Revenues:				
Support:				
Federal and state contracts	$ 518,833	$ -	$ 518,833	$ 379,714
County and other local grants	1,151,912	-	1,151,912	921,134
United Way allocations	516,669	-	516,669	517,856
Contributions	379,966	74,097	454,063	253,467
Gifts in-kind	59,380	-	59,380	43,010
Total support	2,626,760	74,097	2,700,857	2,115,181
Revenues:				
Rental income	59,724	-	59,724	57,102
Fundraising revenue	177,363	-	177,363	240,587
Training and license	11,290	-	11,290	9,134
Other income (expense)	5,515	(265)	5,250	13,512
Total revenues	253,892	(265)	253,627	320,335
Total support and revenues	2,880,652	73,832	2,954,484	2,435,516
Net assets released from restrictions	104,732	(104,732)	-	-
	2,985,384	(30,900)	2,954,484	2,435,516
Expenses:				
Program services	2,472,818	-	2,472,818	2,099,667
Support services:				
Management and general	109,105	-	109,105	101,507
Building	27,805	-	27,805	88,522
Fundraising	207,481	-	207,481	205,513
Total expenses	2,817,209	-	2,817,209	2,495,209
Loss on disposal of asset	-	-	-	146
	-	-	-	146
Change in net assets	168,175	(30,900)	137,275	(59,839)
Net assets, beginning of year	609,670	94,443	704,113	763,952
Net assets, end of year	$ 777,845	$ 63,543	$ 841,388	$ 704,113

See accompanying notes to consolidated financial statements.

	2019	2018
Cash flows from operating activities:		
Cash received from contributors and grantors	$ 2,552,247	$ 2,248,245
Cash received from rentals	59,724	57,102
Cash received from fundraising	177,363	240,587
Other income	5,250	18,130
Cash paid to employees and suppliers for goods and services	(2,638,293)	(2,358,441)
Interest paid	(9,197)	(9,695)
Net cash provided by operating activities	147,094	195,928
Cash flows from investing activities:		
Purchase of property and equipment	(24,230)	(9,279)
Net cash used in investing activities	(24,230)	(9,279)
Cash flows from financing activities:		
Mortgage principal payments	(13,000)	(12,501)
Net cash used in financing activities	(13,000)	(12,501)
Change in cash and cash equivalents	109,864	174,148
Cash and cash equivalents, beginning of year	318,095	143,947
Cash and cash equivalents, end of year	$ 427,959	$ 318,095

See accompanying notes to consolidated financial statements.

	2019	2018
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	$ 137,275	$ (59,839)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	63,047	67,791
Loss on disposal of asset	-	146
(Increase) decrease in:		
Grants and allocations receivable	(103,962)	153,999
Accounts receivable	9,347	(964)
Prepaid expenses and other assets	319	(6,034)
(Decrease) increase in:		
Accounts payable and accrued expenses	46,973	26,924
Deferred revenue	(5,905)	13,905
Net cash provided by operating activities	$ 147,094	$ 195,928

See accompanying notes to consolidated financial statements.

For the Year Ended June 30, 2019

	Program Services		Support Services	
			Management and General	
	2019	2018	2019	2018
Salaries and wages	$ 1,647,365	$ 1,458,973	$ 72,598	$ 72,016
Salaries - in-kind	55,990	42,465	2,910	545
Payroll taxes and employee benefits	337,477	311,992	13,130	12,442
Total salaries and related expenses	2,040,832	1,813,430	88,638	85,003
Advertising and promotion	3,249	17,212	185	161
Bad debt expense	-	-	-	-
Bank charges	25	35	367	36
Computer software and support	16,492	13,806	1,286	537
Direct assistance to individuals	20,302	875	-	-
Equipment rental and maintenance	24,078	24,988	1,052	1,194
Insurance	37,655	12,907	1,674	617
Licenses, dues and subscriptions	21,104	20,016	4,866	2,105
Mortgage interest	8,407	3,414	190	163
Occupancy	50,557	21,069	2,190	1,041
Operating supplies	28,795	19,510	-	542
Other	11,989	6,686	579	3,238
Postage	4,503	4,212	149	197
Professional services	92,993	36,752	3,826	1,664
Property tax	-	-	-	-
Special events venue and other direct expenses	-	-	-	-
Staff training	10,086	1,105	25	36
Telephone	36,041	33,315	1,116	1,557
Travel	29,861	30,095	1,396	1,494
Total expenses before depreciation	2,436,969	2,059,427	107,539	99,585
Depreciation	35,849	40,240	1,566	1,922
Total functional expenses	$ 2,472,818	$ 2,099,667	$ 109,105	$ 101,507

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

(with comparable totals for 2018)

Support Services					
Building		Fundraising		2019	2018
2019	2018	2019	2018	Totals	Totals
$ -	$ -	$ 72,020	$ 65,551	$ 1,791,983	$ 1,596,540
-	-	580	-	59,480	43,010
-	-	15,804	11,683	366,411	336,117
-	-	88,404	77,234	2,217,874	1,975,667
-	-	32	242	3,466	17,615
-	-	5,000	6,360	5,000	6,360
-	-	2,723	3,679	3,115	3,750
-	-	502	453	18,280	14,796
-	-	-	-	20,302	875
-	-	1,096	1,012	26,226	27,194
-	21,071	1,678	523	41,007	35,118
170	170	1,910	1,501	28,050	23,792
408	5,980	192	138	9,197	9,695
390	34,392	2,278	853	55,415	57,355
-	-	620	727	29,415	20,779
-	-	243	1,396	12,811	11,320
-	-	186	84	4,838	4,493
-	-	3,380	978	100,199	39,394
2,837	2,909	-	-	2,837	2,909
-	-	95,146	105,633	95,146	105,633
-	-	46	559	10,157	1,700
-	-	1,162	1,184	38,319	36,056
-	-	1,251	1,328	32,508	32,917
3,805	64,522	205,849	203,884	2,754,162	2,427,418
24,000	24,000	1,632	1,629	63,047	67,791
$ 27,805	$ 88,522	$ 207,481	$ 205,513	$ 2,817,209	$ 2,495,209

See accompanying notes to consolidated financial statements.

1. ***Organization and Summary of Significant Accounting Policies***

Organization and Nature of Activities

211 Palm Beach/Treasure Coast, Inc. ("211") is a non-profit corporation organized in November 1971 under the laws of the State of Florida. 211 provides information to the public about available health and human service resources, telephone counseling to individuals with personal or family problems, and services to special populations, such as older adults and adolescents. 415 Gator Drive, Inc., was formed in August 1999 to hold title to real property utilized by 211. The Board of Directors is the same for both organizations, and 211 utilizes a substantial portion of the real property of 415 Gator Drive, Inc. Therefore, the financial information for both organizations (the "Organization") is consolidated in these financial statements and all inter-company transactions have been eliminated.

Financial Statement Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth under FASB Accounting Standards Codification (FASB ASC) 958-205 *Not-for-Profit Entities, Presentation of Financial Statements.* Accordingly, the net assets of the Organization are reported in each of the following classes:

> *Net assets without donor restrictions*: are those currently available for use in the current operations of the Organization under the direction of the Board of Directors.
>
> *Net assets with donor restrictions*: are those subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting, which recognizes revenue when earned, and expenses as incurred. Grants are recorded as support when performance occurs under the terms of the grant agreement.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

1. Organization and Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments

The Organization follows FASB ASC 820-10, "*Fair Value Measurements and Disclosures*," which provides a common definition of fair value, establishes a framework to measure fair value within accounting principles generally accepted in the United States of America, and expands the disclosures about fair value measurements. The standard does not create any new fair value measurements. Instead, it applies under existing accounting pronouncements that require or permit fair value measurements.

For assets and liabilities measured at fair value on a recurring basis, entities should disclose information that allows financial statement users to assess (1) the inputs used to develop such measurements, such as Level 1 (i.e., quoted price in an active market for an identical asset or liability), Level 2 (i.e., quoted price for similar assets or liabilities in active markets), or Level 3 (i.e., unobservable inputs); and (2) the effect on changes in net assets of recurring measurements that use significant unobservable (Level 3) inputs. The Organization did not have financial instruments measured at fair value on a recurring basis.

The following methods and assumptions were used by the Organization in estimating the fair value of financial instruments that were not disclosed under FASB ASC Topic 820.

- *Cash and cash equivalents, receivables, accounts payable and accrued liabilities* – The carrying amount reported approximates their fair values due to their short-term nature.
- *Mortgage payable* – The recorded value approximates fair value, as the applicable interest rate approximates current market rates.

Cash and Cash Equivalents

For purposes of the Consolidated Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. During the fiscal year, deposits were maintained in commercial bank checking accounts and money market accounts.

Grants and Allocations Receivable

Grants receivable are recognized as the reimbursable expense is incurred. Allocations receivable arise from various United Ways, all of which share a similar fiscal year as the Organization and are treated as promises to give. When there is conditional language within the allocation agreements, or there is an absence of clearly unconditional terms, income is recognized from such allocations as payments are received.

Grants and allocations receivable are considered to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

1. Organization and Summary of Significant Accounting Policies, continued

Accounts Receivable

The Organization provides specific program related services for other agencies and records the income and receivable as the service is rendered. Management has evaluated the collectability of its accounts receivable and recorded an allowance for doubtful accounts of $11,000 for the year ending June 30, 2019.

Prepaid Expenses and Other Assets

Prepaid expense and other assets is principally comprised of insurance premiums related to future coverage and deposits for special events that are to be held subsequent to the date of the consolidated financial statements.

Property and Equipment

Property and equipment in excess of $1,000 is recorded at cost, or if donated, at the estimated fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 – 30 years. Expenditures for repairs and maintenance are charged to expense as incurred. Major improvements are capitalized.

Contributions

Gifts of cash and other donated assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restriction. Furthermore, restricted contributions whose restrictions are met in the same reporting period may be reported as unrestricted contributions in the Consolidated Statement of Activities.

Deferred Revenue

Income and fees for special events yet to be held are deferred and recognized over the periods to which the income and fees relate.

Donated Goods and Services

Donated services are recognized as contributions in accordance with FASB ASC Topic 958-605-30, *Revenue Recognition*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. These services are reflected in the consolidated financial statements at their estimated fair market value at the date of receipt.

1. ***Organization and Summary of Significant Accounting Policies*, continued**

Donated Goods and Services, continued

Volunteer services for the Resource Centers and Sunshine Services are an integral part of the Organization's programs and are recorded at values consistent with those amounts, which would be paid to salaried personnel for similar services. The Organization recorded approximately $59,500 in donated volunteer services for the year ended June 30, 2019, as gifts in-kind support and in-kind salaries in the period rendered.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and in the Consolidated Statement of Functional Expenses. Accordingly, direct costs have been charged to the specific program or supporting service as incurred and non-direct costs have been allocated among the programs and supporting services benefited. Salaries and other related expenses are allocated based on studies of personnel. Occupancy and related costs are allocated based on studies of relative space utilization and the benefit provided.

Advertising

Advertising costs are expensed as incurred. Total advertising cost for the year ended June 30, 2019 was approximately $3,500.

Income Taxes

211 is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. 415 Gator Drive, Inc. is exempt under Section 501(c)(2), and files a consolidated tax return with 211 as an affiliate. Income from certain activities not directly related to 211's tax-exempt purpose is subject to taxation as unrelated business income. In addition, 211 qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Based upon an analysis of its net unrelated business income for the current year and the net operating loss carryovers available from earlier years, 211 does not believe there is any income tax owed for the period and there is no tax liability recognized in these consolidated financial statements.

The Organization has adopted FASB ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Organization assesses its income tax positions based on management's evaluation of the facts, circumstances and information available at the reporting date. The Organization uses the prescribed more likely than not threshold when making its assessment, and has not accrued any interest expense or penalties related to tax positions. In addition, there are currently no open Federal or State tax years under audit.

1. Organization and Summary of Significant Accounting Policies, continued

Prior Year Summarized Information

The consolidated financial statements include certain prior-year summarized comparative information in total, but not by net asset class. 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 consolidated financial statements for the year ended June 30, 2018, from which the summarized information was derived. Certain reclassifications may have been made to the 2018 consolidated financial statements to conform to the current year presentation. Such reclassifications would have no effect on net assets as previously reported.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenues from Contracts with Customers* (Topic 606) and has modified the standard thereafter. This standard replaces existing revenue recognition rules with a comprehensive revenue measurement and recognition standard and expanded disclosure requirements. ASU No. 2014-09 is effective for annual reporting periods in fiscal years that begin after December 15, 2018. Management is currently evaluating the standard and does not anticipate it will have a material impact on the Organization's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). ASU 2016-02 replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASU 2016-02 will require lessees to recognize most leases on their statement of financial position as liabilities, with corresponding "right-of-use" assets. The standard is effective for annual reporting periods in fiscal years that begin after December 15, 2019. Management is currently evaluating the magnitude and other potential impacts on the Organization's consolidated financial statements.

Recently Adopted Accounting Pronouncement

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements for Not-for-Profit Entities*, which changes the current guidance for net asset classification, Board designations, investment return, underwater endowment funds, expenses, liquidity and presentation of operating cash flows. The Organization has adjusted the presentation of its consolidated financial statements accordingly, applying the changes retrospectively. The new standards change the following aspects of the Organization's consolidated financial statements:

- The temporarily restricted net asset class has been renamed net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 3).

2. Program Services

The following is a description of the major programs of 211:

Resource Center Palm Beach County – Provides information, assessment, referral, crisis intervention, counseling, and suicide intervention, via the telephone, known as the telephone number 2-1-1, and via chat 24 hours a day / 365 days a year. This is a toll free, confidential hot line, available to the residents of Palm Beach County.

Resource Center Treasure Coast – Provides information, assessment, referral, crisis intervention, counseling, and suicide intervention, via the telephone, known as the telephone number 2-1-1, and via chat 24 hours a day / 365 days a year. This is a toll free, confidential hot line, available to the residents of Indian River, Martin, St. Lucie and Okeechobee Counties.

Elder Crisis Outreach – Provides telephone and in-home crisis intervention services to individuals in Palm Beach County age 60 and over who are in emotional, financial and/or social distress. The goal is to intervene as early as possible to assist older adults in maintaining their independence.

Special Needs – Provides parents and caregivers of children (birth to age 22) with special needs a method of finding healthcare options, financial assistance, support groups, educational information, respite and other services.

Sunshine Services – Provides daily telephone reassurance calls to elders and homebound individuals in Palm Beach, St. Lucie, Okeechobee, Indian River and Martin counties to check on their well-being and give them a friendly “hello.” Often times, the “sunshine call” is the only outside contact the client has all day.

Help Me Grow – This 211 program provides special information and advice to parents who are concerned about their child's physical and emotional development, behavior or learning.

My Florida Veteran – Florida Veterans Support Line provides veterans/former military and their families with comprehensive information and referral to services funded by Florida Department of Veterans Affairs and hundreds of additional community-based services, as well as emotional support provided by trained Veterans.

3. ***Liquidity and Availability of Resources***

Financial assets available for general expenditure within one year, that is, without donor restrictions or other restrictions limiting their use comprise the following:

Cash and cash equivalents	$ 427,959
Grants, allocations, and accounts receivable	193,299
Financial assets available to meet general expenditures over the next 12 months	$ 621,258

The Organization is substantially supported by contributions without donor and with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Some of the Organization's net assets with donor restrictions are available for general expenditure within one year of June 30, 2019 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Organization in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. Furthermore, the Organization maintains a $100,000 line of credit of which may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need (See Note 6).

4. ***Receivables***

In the course of providing its programs and activities, the Organization receives and records grants, contracts, United Way allocations and accounts receivable, all of which are due within one year. The balance of the Organization's receivables consists of the following as of June 30, 2019:

Grants and allocations:	
Department of Children and Families – Circuit 15	$ 38,079
Children's Forum	37,622
National Suicide Prevention Lifeline	34,100
Department of Children and Families – Circuit 19	17,850
Children's Services Council – Palm Beach County	14,745
Vibrant Emotional Health	12,640
Victim Services and Support	12,500
The Crisis Center of Tampa Bay	10,428
Palm Beach County & ECO	6,429
Mental Health Collaborative of IRC	3,810
Martin County	2,625
Children's Services Council – St. Lucie County	2,371
	$ 193,199
Accounts receivable	$ 11,100
Less allowance for doubtful accounts	11,000
	$ 100

5. *Property and Equipment*

Property and equipment consist of the following as of June 30, 2019:

Office furniture and equipment	$ 119,550
Computers and software	173,816
Buildings and improvements	647,499
Leasehold improvements	244,122
Land	160,000
	1,344,987
Less accumulated depreciation	810,702
	$ 534,285

6. *Mortgage Payable and Line of Credit*

Mortgage Payable

The mortgage for the property owned by 415 Gator Drive, Inc. was refinanced in July 2016. The principal amount of the mortgage was $250,000 payable over 15 years and matures in July 2031. Monthly payments are $1,849.63 at an interest rate of 4.0%, which approximates the effective interest rate, for the first 60 months. The scheduled payment amount may then change and change every 60 payments thereafter. The mortgage is collateralized by the property at 415 Gator Drive, Inc. together with future rents and leases. The balance of the mortgage payable as of June 30, 2019 was $212,357. The closing costs of $6,114 are being amortized over the terms of the mortgage, fifteen years. Current amortization expense was $408 and is reported as part of interest expense in the Consolidated Statement of Activities.

Future maturities of the mortgage payable for years ending June 30 are approximately:

2020	$ 13,956
2021	14,525
2022	15,116
2023	15,732
2024	16,373
Thereafter	136,655
	212,357
Less debt issuance costs, net	4,918
	207,439
Less current portion of mortgage payable	13,956
Long-term mortgage payable	$ 193,483

6. *Mortgage Payable and Line of Credit, continued*

Revolving Line of Credit

The Organization has a $100,000 working capital revolving line of credit secured by the real estate, and payable at an interest rate of Wall Street Journal prime plus .50% (6.0% as of June 30, 2019). The line of credit was unused as of June 30, 2019.

7. *Net Assets With Donor Restrictions*

Net assets with donor restrictions are available for the following purposes as of June 30, 2019:

To support expenses for needy elderly persons	$ 2,425
Building and property improvements	27,917
Season to Share – Special Needs	26,590
Special Needs Fund	2,000
Other time restricted	4,611
Total net assets with donor restrictions	$ 63,543

8. *Leased Facilities*

During the year ended June 30, 2019, the Organization leased a portion of approximately 60% (i.e. 9,000 square feet) of its facility to another nonprofit organization that is not related to the Organization. The lease is for three years and expires on September 30, 2019. Base rent is $3,713 per month for years one and two and $4,085 for year three of the lease. In addition to the base rent, the lessee pays a portion of operating expenses on a monthly basis. The Organization holds a refundable security deposit of $10,000.

The future minimum rental income for the year ending June 30, 2020, based on basic rent, is $12,225 (See Note 12 for subsequent event). Rental income, including operating expenses, for the year ending June 30, 2019 was $59,724.

9. *Commitments and Contingencies*

Leased Office Equipment

The Organization leases office equipment (including service) under a non-cancellable operating lease which expires in March 2020. The future minimum rental payments required under the above non-cancellable operating lease for the year ending June 30, 2020 is $11,700.

Lease expense for the year ended June 30, 2019 was $15,600 and is included in equipment rental and maintenance on the Consolidated Statement of Functional Expenses.

9. Commitments and Contingencies, continued

Compliance Audits

Financial awards from federal, state, and local governmental entities, in the form of grants, are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. Management is not aware of any instances of material noncompliance and does not believe the Organization owes any funds with respect to disallowed costs or noncompliance with grantor restrictions. Accordingly, no provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

10. Employee Benefit Plans

Defined Contribution Plan

The Organization established a retirement plan under Section 403(b) of the Internal Revenue Code, effective January 1, 1995. Employees become eligible when they attain age 21 and work more than 1,000 hours during the year. During the year ended June 30, 2019, the Organization's employer match contribution was equal to the employee's deferral to the plan, up to a maximum of 1% of employee compensation. Total employer expense for the year ended June 30, 2019 was $11,446.

The Organization offered an executive employee selected by the Board of Directors a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan permits the Board of Directors to approve additional compensation for the executive employee and to defer it on their behalf under the plan. In addition, the executive employee may defer additional amounts through salary reduction agreements. Both the Organization's contributions and executive employee contributions are subject to statutory limits. All deferred compensation under the plan is not available to the covered employee until termination, retirement, death or an unforeseeable emergency. All amounts of compensation deferred under the plan, all property, and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the covered employee or other beneficiary) solely the property and rights of the Organization, subject to the claims of the Organization's creditors.

No contributions were made by the Organization and there was no plan balance as of and during the year ended June 30, 2019.

11. Concentration and Credit Risk

At various times during the year, the Organization may have more funds on deposit at financial institutions than the $250,000 insured by the Federal Deposit Insurance Corporation and/or the National Credit Union Administration. Management believes its deposits are kept at high quality, regional banking and credit institutions. In Management's opinion, its cash balance does not represent unusual risk. As of June 30, 2019, there were $165,100 in uninsured cash balances.

11. Concentration and Credit Risk, continued

The Organization receives the majority of its funding from public sources and is, therefore, dependent upon the availability of federal, state, and county grants and awards for its continued existence. The Organization currently receives approximately 9% of its cash funding from Palm Beach County, 12% from the Southeast Florida Behavioral Health Network, 15% collectively from four local Children's Services Councils, and approximately 18% collectively from six local United Way chapters. Any significant reduction in the level of one of the support sources described above, if it were to occur, could have a material effect on the Organization's programs and activities.

12. Subsequent Event

Date of Management Evaluation

Management has assessed subsequent events through November 18, 2019, the date the consolidated financial statements were available to be issued and has determined there was the following event to disclose in these consolidated financial statements.

The Organization renewed the lease with the current tenant through May 31, 2020, at the existing monthly rent rate that generates future minimum rental income of $44,825.

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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*

To the Board of Directors of
211 Palm Beach/Treasure Coast, Inc.
Lantana, Florida

We have audited, in accordance with the 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 consolidated financial statements of 211 Palm Beach/Treasure Coast, Inc. (a non-profit organization), which comprise the consolidated statement of financial position as of June 30, 2019 and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the consolidated financial statements. We have issued our report thereon dated November 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered 211 Palm Beach/Treasure Coast, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of 211 Palm Beach/Treasure Coast, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 211 Palm Beach/Treasure Coast, Inc.'s consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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.

Holyfield & Thomas, LLC

West Palm Beach, Florida
November 18, 2019

SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2019

	Resource Center Palm Beach County	Resource Center Treasure Coast	Elder Crisis Outreach	Special Needs	Sunshine Services	Help Me Grow	My Florida Veteran	Totals
Salaries and wages	$ 772,866	$ 311,659	$ 138,856	$ 59,144	$ 71,720	$ 275,544	$ 17,576	$ 1,647,365
Salaries - in-kind	9,450	100	1,280	1,840	42,520	800	-	55,990
Payroll taxes and employee benefits	166,779	62,787	25,941	14,563	8,777	57,031	1,599	337,477
Total salaries and related expenses	949,095	374,546	166,077	75,547	123,017	333,375	19,175	2,040,832
Advertising and promotion	1,457	1,553	64	4	64	107	-	3,249
Bad Debt Expense	-	-	-	-	-	-	-	-
Bank charges	25	-	-	-	-	-	-	25
Computer software and support	5,646	2,143	881	5,861	479	1,482	-	16,492
Direct assistance to individuals	-	-	1,892	18,410	-	-	-	20,302
Equipment rental and maintenance	12,872	4,681	1,919	845	1,047	2,714	-	24,078
Insurance	18,874	7,214	2,881	1,342	1,642	5,702	-	37,655
Licenses, dues and subscriptions	11,100	2,854	805	258	604	5,422	61	21,104
Mortgage interest	6,295	514	457	185	191	765	-	8,407
Occupancy	24,439	9,714	4,013	1,759	2,178	8,454	-	50,557
Operating supplies	8,600	3,006	1,053	489	739	14,863	45	28,795
Other	2,300	1,003	110	309	423	2,814	5,030	11,989
Postage	837	595	273	120	783	1,895	-	4,503
Professional services	47,417	15,863	7,029	2,854	3,569	16,227	34	92,993
Property tax	-	-	-	-	-	-	-	-
Special events venue and other direct expenses	-	-	-	-	-	-	-	-
Staff training	9,965	27	59	5	6	24	-	10,086
Telephone	20,252	9,344	1,003	895	1,097	3,450	-	36,041
Travel	6,780	7,292	1,565	735	639	12,850	-	29,861
Total expenses before depreciation	1,125,954	440,349	190,081	109,618	136,478	410,144	24,345	2,436,969
Depreciation	16,810	6,974	2,866	1,257	1,558	6,384	-	35,849
Total functional expenses	$ 1,142,764	$ 447,323	$ 192,947	$ 110,875	$ 138,036	$ 416,528	$ 24,345	$ 2,472,818

See independent auditor's report.

For the Year Ended June 30, 2018

	Resource Center Palm Beach County	Resource Center Treasure Coast	Elder Crisis Outreach	Special Needs	Sunshine Services	Help Me Grow	Totals
Salaries and wages	$ 687,677	$ 285,753	$ 133,661	$ 56,534	$ 61,395	$ 233,953	$ 1,458,973
Salaries - in-kind	620	-	-	625	41,220	-	42,465
Payroll taxes and employee benefits	148,208	60,022	29,901	13,472	8,274	52,115	311,992
Total salaries and related expenses	836,505	345,775	163,562	70,631	110,889	286,068	1,813,430
Advertising and promotion	11,859	3,852	68	582	704	147	17,212
Bad Debt Expense	-	-	-	-	-	-	-
Bank charges	35	-	-	-	-	-	35
Computer software and support	7,817	1,959	709	729	799	1,793	13,806
Direct assistance to individuals	-	-	875	-	-	-	875
Equipment rental and maintenance	13,504	4,479	960	949	1,104	3,992	24,988
Insurance	6,311	2,314	1,160	490	570	2,062	12,907
Licenses, dues and subscriptions	10,359	3,430	304	85	437	5,401	20,016
Mortgage interest	1,669	612	307	130	151	545	3,414
Occupancy	10,302	3,776	1,894	800	931	3,366	21,069
Operating supplies	7,804	2,876	1,131	465	690	6,544	19,510
Other	3,195	567	133	183	564	2,044	6,686
Postage	1,617	593	297	126	946	633	4,212
Professional services	20,454	5,667	2,769	1,206	1,631	5,025	36,752
Property tax	-	-	-	-	-	-	-
Special events venue and other direct expenses	-	-	-	-	-	-	-
Staff training	859	82	54	17	20	73	1,105
Telephone	17,517	6,641	1,570	1,111	1,195	5,281	33,315
Travel	7,186	8,667	1,459	674	579	11,530	30,095
Total expenses before depreciation	956,993	391,290	177,252	78,178	121,210	334,504	2,059,427
Depreciation	19,676	7,212	3,617	1,528	1,778	6,429	40,240
Total functional expenses	$ 976,669	$ 398,502	$ 180,869	$ 79,706	$ 122,988	$ 340,933	$ 2,099,667

See independent auditor's report.