CENTER FOR FAMILY SERVICES OF PALM BEACH COUNTY, INC.

REPORT ON AUDIT OF 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
Center for Family Services
of Palm Beach County, Inc.
West Palm Beach, Florida

We have audited the accompanying financial statements of the Center for Family Services of Palm Beach County, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center for Family Services of Palm Beach County, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of the Center for Family Services of Palm Beach County, 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 the Center for Family Services of Palm Beach County, Inc.'s internal control over financial reporting and compliance.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of financial assistance and program expenses on pages 18-19, are presented for purposes of additional analysis, and are not a required part of the basic 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.

Report on Summarized Comparative Information

We have previously audited the June 30, 2018 financial statements, and our report dated December 20, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
December 18, 2019

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

	Without Donor Restrictions	With Donor Restrictions	2019 Totals	2018 Totals
Cash and cash equivalents	$ 373,360	$ -	$ 373,360	$ 202,154
Accounts receivable	184,638	-	184,638	190,000
United Way allocation receivable	-	25,000	25,000	20,000
Other current assets	17,888	-	17,888	16,000
Total current assets	575,886	25,000	600,886	428,154
Deposits	7,500	-	7,500	7,500
Property and equipment, net	7,141	-	7,141	5,733
Total assets	$ 590,527	$ 25,000	$ 615,527	$ 441,387

LIABILITIES AND NET ASSETS

	Without Donor Restrictions	With Donor Restrictions	2019 Totals	2018 Totals
Accounts payable	$ 35,608	$ -	$ 35,608	$ 59,144
Accrued compensation and related expenses	80,227	-	80,227	79,566
Total liabilities	115,835	-	115,835	138,710
Net assets:				
Without donor restrictions	474,692	-	474,692	269,508
With donor restrictions	-	25,000	25,000	33,169
Total net assets	474,692	25,000	499,692	302,677
Total liabilities and net assets	$ 590,527	$ 25,000	$ 615,527	$ 441,387

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:				
Governmental grants	$ 2,032,537	$ -	$ 2,032,537	$ 1,796,052
Contributions and bequests	256,279	-	256,279	125,727
United Way allocation	-	25,000	25,000	20,000
Service fees	157,821	-	157,821	98,623
Fundraising	539,394	-	539,394	539,015
Miscellaneous and interest income	15,827	-	15,827	2,193
Total support and revenues	3,001,858	25,000	3,026,858	2,581,610
Net assets released from restriction	33,169	(33,169)	-	-
Expenses:				
Program	2,168,155	-	2,168,155	1,851,740
Management and general	395,005	-	395,005	328,611
Fundraising	266,683	-	266,683	330,984
Total expenses	2,829,843		2,829,843	2,511,335
Change in net assets	205,184	(8,169)	197,015	70,275
Net assets, beginning of year	269,508	33,169	302,677	232,402
Net assets, end of year	$ 474,692	$ 25,000	$ 499,692	$ 302,677

See accompanying notes to consolidated financial statements.

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

	2019 Totals	2018 Totals
Cash flows from operating activities:		
Cash received from contributors and grantors	$ 2,314,178	$ 1,885,580
Cash received from clients	157,821	97,651
Cash received from fundraising events	539,394	539,015
Interest income and other cash received	15,827	2,193
Cash paid to employees	(2,071,813)	(1,805,323)
Cash paid for goods and services	(777,061)	(719,058)
Net cash provided by operating activities	178,346	58
Cash flows from investing activities:		
Purchase of property and equipment	(7,140)	-
Net cash used in investing activities	(7,140)	-
Change in cash and cash equivalents	171,206	58
Cash and cash equivalents, beginning of year	202,154	202,096
Cash and cash equivalents, end of year	$ 373,360	$ 202,154

See accompanying notes to consolidated financial statements.

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

	2019 Totals	2018 Totals
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	$ 197,015	$ 70,275
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	5,732	5,975
Decrease (increase) in:		
Accounts receivable	15,195	(37,171)
United Way allocation receivable	(14,833)	(20,000)
Other current assets	(1,888)	-
Deposits	-	6,796
Increase (decrease) in:		
Accounts payable	(23,536)	(26,852)
Accrued compensation and related expenses	661	1,035
Net cash provided by operating activities	$ 178,346	$ 58

See accompanying notes to consolidated financial statements.

CENTER FOR FAMILY SERVICES OF PALM BEACH COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

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

	Program	Management and General	Fundraising	2019 Totals	2018 Totals
Personnel and related costs	$1,727,454	$ 314,125	$ 53,526	$2,095,105	$1,826,247
Occupancy	130,845	40,818	-	171,663	167,486
Professional fees	22,822	5,568	-	28,390	41,561
Telephone	22,136	2,305	-	24,441	22,729
Printing and postage	1,235	103	-	1,338	718
Insurance	22,749	5,312	-	28,061	26,145
Conferences, travel and meetings	6,411	11	184	6,606	6,366
Marketing and promotion	1,187	144	-	1,331	11,091
Sponsored events	-	-	212,857	212,857	246,031
Utilities	14,235	3,176	-	17,411	21,788
Interest and bank charges	4,284	1,207	-	5,491	5,953
Repairs and maintenance	30,939	6,752	-	37,691	29,588
Supplies, books and subscriptions	24,844	4,348	5	29,197	7,165
Training and recruiting	17,821	3,088	111	21,020	20,513
Outside services	113,592	2,595	-	116,187	48,857
Office expense and miscellaneous	16,135	2,381	-	18,516	15,603
Licenses, dues and fees	6,824	1,982	-	8,806	7,519
Depreciation	4,642	1,090	-	5,732	5,975
Total expenses	$2,168,155	$ 395,005	$ 266,683	$2,829,843	$2,511,335

See accompanying notes to consolidated financial statements.

1. Organization and Significant Accounting Policies

Organization and Nature of Activities

The Center was organized as a corporation in 1962 and granted nonprofit tax-exempt status under the laws of the State of Florida in 1966. The Center was formed to provide behavioral health services and education to individuals and families in Palm Beach County, Florida. In carrying out this basic purpose, the Center has operations established in West Palm Beach. The Center offers the following programs:

Counseling for Parents of Young Children (CPYC) is a program funded by the Children's Services Council which offers home-based counseling that promotes positive mental health and social-emotional outcomes for children birth to five and their families. Services address issues such as depression, stress and trauma, parent/child bonding, attachment, relationships, parenting concerns, grief and loss, and social-emotional competence.

Prenatal Plus Mental Health (PMH)) provides a mental health assessment and ongoing mental health counseling as needed in the homes of pregnant mothers who are at risk of negative maternal or infant health outcomes.

Triple P/Teen Triple P (Positive Parenting Program and Positive Parenting Program for Teens) is a Children's Service Council program which educates parents on strategies to strengthen the parent-child relationship and create a more peaceful home.

Individual and Family Counseling on a variety of issues including marital problems, depression, stress, and anxiety.

SAFE Kids provides counseling to child victims of sexual abuse, and victims of physical abuse, neglect, domestic violence, trafficking, sexual assault, and other crimes. SAFE Kids is the only officially recognized Sexual Abuse Treatment Program by the State of Florida in Palm Beach County.

The *Recovery* program provides individual and group counseling and education to those seeking recovery from substance abuse and dependency.

The *Employee Assistance Program (EAP)* offers solution-focused therapy to employees of companies who contract with the Center to include this in their employee benefits package.

Financial Statement Presentation

The accompanying 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 Center are reported in each of the following classes:

Net assets without donor restrictions: this classification includes those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by Board designation. Changes in net assets arising from exchange transaction (except income and gains on assets that are restricted by donors or by law) are included in the unrestricted by class.

Net assets with donor restrictions: this classification includes those net assets whose use by the Center has been limited by donors to either a later period of time, or after specified dates, or for a specified purpose. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

1. <u>Organization and Significant Accounting Policies</u>, continued

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

The Center 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 Center's did not have financial instruments measured at fair value on a recurring basis.

The following methods and assumptions were used by the Center in estimating fair value of financial instruments that are not disclosed under ASC 820-10.

> *Cash and cash equivalents*: The carrying amount approximates fair value due to the relative size, timing and amounts to be collected.
>
> *Accounts and United Way allocation receivable*: The carrying amount reported approximates fair value due to the short-term duration of the instruments.
>
> *Accounts payable and Accrued compensation and related expenses*: The carrying amount reported approximates fair value due to the short term duration of the instruments.

Cash and Cash Equivalents

Cash and cash equivalents include checking, savings, money market accounts, and petty cash. The Center also considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

1. Organization and Significant Accounting Policies, continued

Property and Equipment

Expenditures for property and equipment are stated at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. Donated assets are recorded at their estimated fair market values, when available, at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Depreciation expense includes amortization of assets held under capital lease.

Revenue Recognition

The Center receives various grants from federal, state, local, and private agencies for program and supporting service expenses. These grants are generally on a cost reimbursement basis, including recoverable overhead. Revenues from grants are deemed earned and recognized in the Statement of Activities when expenditures are made for the purpose specified. Funds that have been received but have not yet been expended for the purpose specified are reported as revenue with donor restrictions or refundable advance, as applicable. Grants which are not awarded on a cost reimbursement basis are recorded as support in the year for which the grant was awarded and in which the conditions to the grant are met.

Support and Revenue

Foundation support, unconditional promises to give, and other contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when either the stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified and reported in the Statements of Activities as net assets released from restrictions. However, if the restriction is met in the same period as the restricted income is received, the Center classifies such income as support without donor restrictions.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Functional Expenses. Accordingly, expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses that apply to more than one functional category have been allocated among the programs and supporting services benefited.

Advertising Costs

The Center expenses all advertising costs as incurred. Advertising expense for the year ended June 30, 2019, amounted to approximately $8,200.

Tax Exemption

The Center is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the Center's financial statements.

1. Organization and Significant Accounting Policies, continued

Tax Exemption, continued

The Center follows FASB ASC 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 Center assesses its income tax positions based on management’s evaluation of the facts, circumstances and information available at the reporting date. The Center uses the prescribed more likely than not threshold when making its assessment. The Center has not accrued any interest expense or penalties related to tax positions. There are currently no open Federal or State tax years under audit.

Prior Year Comparable Information

The 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 Center's financial statements for the year ended June 30, 2018, from which the summarized information was derived. Certain 2018 amounts may have been reclassified to conform to 2019 classifications. Such reclassifications would have no effect on the change in 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 Center’s 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, 2020. Management is currently evaluating the magnitude and other potential impacts on the Center's financial statements.

Recently Adopted Accounting Pronouncements

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 Center has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively.

1. Organization and Significant Accounting Policies, continued

Recently Adopted Accounting Pronouncements, continued

The new standards change the following aspects of the Center's financial statements:

- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The temporarily restricted net asset class has been renamed net assets with donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 2).

2. 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	$	373,360
Accounts receivable		184,638
United Way allocation receivable		25,000
Financial assets available to meet general expenditures over the next 12 months	$	582,998

The Center receives significant revenue from a contract with Children's Service Council of Palm Beach County, which typically covers over 80% of its operating expenditures on a direct reimbursement basis. It also receives grants and other private donations, some of which have donor restrictions to be used in accordance with the purpose of the restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Center must maintain sufficient resources to meet those responsibilities to its donors. Some of the Center'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 Center 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. The Center forecasts its future cash flows and monitors liquidity on a monthly basis.

3. Accounts Receivable

The recorded balance of accounts receivable are deemed to be fully collectible by management and consists of shared costs, which are to be reimbursed by recognized governmental agencies.

A summary of the major accounts receivable as of June 30, 2019 is as follows:

Children's Services Council	$	145,826
Health Care District		11,098
State of Florida (VOCA)		11,746
U.S. Department of Health		2,924
Other		13,044
Total accounts receivable	$	184,638

4. United Way Allocation Receivable

As of June 30, 2019, the Center recognized as receivable the 2019-20 United Way program allocation. Although donor designations of the United Way allocation may vary, differences between the amounts allocated and collected from the United Way have historically been insignificant. Accordingly, no provision is made for uncollectible amounts. All amounts are expected to be collected in less than one year.

5. Other Current Assets

Other current assets as of June 30, 2019, consisted of prepaid expenses, such as advance payments for future events, insurance and other services.

6. Property and Equipment

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

Furniture and equipment	$ 440,637
Less accumulated depreciation	433,496
Property and equipment, net	$ 7,141

7. Net Assets with Donor Restrictions

Donor restricted net assets available for periods after June 30, 2019 consists of the United Way allocation receivable, which is restricted for the SAFE Kids program.

8. Leases

In December 2016, the Center entered into a lease agreement for its office space located in West Palm Beach. The lease was amended in May 2017 under a non-cancellable lease and requires payments of $13,627 per month over the remaining term of the lease, which includes renewal options through April 2022. Future minimum rental payments under this operating lease are as follows:

Year ended June 30,	
2020	$ 163,797
2021	165,435
2022	139,009
Total	$ 468,241

Operating lease expense amounted to approximately $172,175 for the year ended June 30, 2019, and is contained within occupancy and repairs and maintenance categories in the Statement of Functional Expenses.

9. Retirement Benefits

The Center offers a 401(k) defined contribution retirement plan covering substantially all of its full-time employees. Center contributions to the plan are discretionary. The Center has elected to match employee contributions 50% of up to 6% of each covered employee's contribution to the plan for the year ended June 30, 2019. The Center's matching contribution and administrative expenses for the plan totaled approximately $9,500 for the year ended June 30, 2019, and is contained within the personnel and related costs category in the Statement of Functional Expenses.

10. Business and Credit Concentrations

The Center received various governmental grants throughout the year from various Federal, State and local agencies as illustrated in the accompanying supplementary Schedule of Financial Assistance. Children's Services Council provided approximately 85% of the Center's fiscal 2019 governmental grant support.

The Center maintains its cash in bank deposit and brokerage accounts, which, at times, may exceed federally insured limits. Bank accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250K, and brokerage accounts are guaranteed by the Securities Investor Protection Corporation (SIPC) up to $500,000, which includes a $250,000 limit for cash. As of June 30, 2019, there was approximately $3,000 of uninsured deposits held in a money market account. The Center has not experienced any losses on such accounts and management believes the Center is not exposed to any significant credit risk arising from such balances.

11. Commitments and Contingencies

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 Center for disallowed costs or noncompliance with grantor restrictions. Management is not aware of any material instances of noncompliance and does not believe that the Center 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 time.

12. Subsequent Events

The Center's management has evaluated subsequent events through December 18, 2019, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.

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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
Center for Family Services
of Palm Beach County, Inc.
West Palm Beach, 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 financial statements of the Center for Family Services of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center for Family Services of Palm Beach County, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center for Family Services of Palm Beach County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center for Family Services of Palm Beach County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
December 18, 2019

SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2019

Supporting Agency and Program Title	Federal	State	Local	Total
Children's Service Council of Palm Beach County:				
Counseling for Parents of Young Children	$ -	$ -	$ 639,502	$ 639,502
Prenatal Plus Mental Health	-	-	446,182	446,182
Positive Parenting Program	-	-	321,303	321,303
Teenage Positive Parenting Program	-	-	327,326	327,326
Total Children's Service Council	-	-	1,734,313	1,734,313
Palm Beach County, Florida:				
Recovery Program	-	-	11,212	11,212
Health Care District of Palm Beach County:				
District Cares Program	-	-	77,844	77,844
ChildNet:				
S.A.F.E. Kids Program	-	-	3,645	3,645
U.S. Department of Health:				
S.A.F.E. Kids Program	35,000	-	-	35,000
State of Florida:				
Victims of Crime Act Agreement				
S.A.F.E. Kids Program	170,523	-	-	170,523
Total financial assistance	$ 205,523	$ -	$ 1,827,014	$ 2,032,537

See independent auditor's report.

CENTER FOR FAMILY SERVICES OF PALM BEACH COUNTY, INC.

SCHEDULE OF PROGRAM EXPENSES

For the Year Ended June 30, 2019

	CPYC	PMH	TRP/TPPP	Counseling	SAFE	Recovery	EAP	Total
Program expenses:								
Personnel and related costs	$ 327,179	$ 367,786	$ 563,820	$ 169,905	$ 191,999	$ 75,699	$ 31,066	$ 1,727,454
Occupancy	28,993	22,285	32,710	18,947	19,073	2,002	6,835	130,845
Professional fees	4,183	3,569	5,673	3,457	3,718	1,198	1,024	22,822
Telephone	6,813	4,369	7,421	1,636	876	984	37	22,136
Printing and postage	206	315	229	165	168	88	64	1,235
Insurance	4,059	3,529	5,688	3,324	3,798	1,347	1,004	22,749
Conferences, travel and meetings	568	1,829	1,033	471	2,423	54	33	6,411
Advertising and promotion	259	185	270	109	194	91	79	1,187
Utilities	2,459	2,180	3,559	2,082	2,417	925	613	14,235
Interest and bank charges	756	660	1,056	819	661	165	167	4,284
Repairs and maintenance	4,731	4,640	8,706	5,282	3,722	2,600	1,258	30,939
Supplies, books and subscriptions	3,370	8,640	5,911	2,661	2,664	1,006	592	24,844
Training and recruiting	2,640	7,612	3,921	1,678	1,673	222	75	17,821
Outside services	11,383	5,570	3,155	89,717	2,394	790	583	113,592
Office expense and miscellaneous	3,496	2,853	5,782	1,495	1,613	568	328	16,135
Licenses, dues and fees	1,340	1,083	1,651	971	1,010	452	317	6,824
Depreciation	831	722	1,160	678	774	272	205	4,642
	$ 403,266	$ 437,827	$ 651,745	$ 303,397	$ 239,177	$ 88,463	$ 44,280	$ 2,168,155

See independent auditor's report.