

**CENTER FOR FAMILY SERVICES  
OF PALM BEACH COUNTY, INC.**

**REPORT ON AUDIT OF  
FINANCIAL STATEMENTS**

**For The Year Ended June 30, 2021  
(with comparable totals for 2020)**

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# Holyfield & Thomas, LLC

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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, 2021, 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, 2021, 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 15, 2021, 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 17-18, 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, 2020 financial statements, and our report dated December 17, 2020, 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, 2020, 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 15, 2021

**CENTER FOR FAMILY SERVICES  
OF PALM BEACH COUNTY, INC.**

**STATEMENT OF  
FINANCIAL POSITION**

*As of June 30, 2021*

*(with comparable totals for 2020)*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Totals</u>	<u>2020 Totals</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 839,398	\$ 60,165	\$ 899,563	\$ 926,212
Accounts receivable	328,290	-	328,290	164,714
United Way allocation receivable	-	27,500	27,500	25,000
Other current assets	2,000	-	2,000	17,565
<b>Total current assets</b>	<b>1,169,688</b>	<b>87,665</b>	<b>1,257,353</b>	<b>1,133,491</b>
Deposits	7,500	-	7,500	7,500
Property and equipment, net	28,524	-	28,524	46,166
<b>Total assets</b>	<b><u>\$ 1,205,712</u></b>	<b><u>\$ 87,665</u></b>	<b><u>\$ 1,293,377</u></b>	<b><u>\$ 1,187,157</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
Accounts payable	\$ 34,025	\$ -	\$ 34,025	\$ 9,436
Accrued compensation and related expenses	94,275	-	94,275	88,548
Refundable advances	50,000	-	50,000	-
<b>Total current liabilities</b>	<b>178,300</b>	<b>-</b>	<b>178,300</b>	<b>97,984</b>
Loan payable	-	-	-	376,527
<b>Total liabilities</b>	<b><u>178,300</u></b>	<b><u>-</u></b>	<b><u>178,300</u></b>	<b><u>474,511</u></b>
Net assets:				
Without donor restrictions	1,027,412	-	1,027,412	687,646
With donor restrictions	-	87,665	87,665	25,000
<b>Total net assets</b>	<b><u>1,027,412</u></b>	<b><u>87,665</u></b>	<b><u>1,115,077</u></b>	<b><u>712,646</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 1,205,712</u></b>	<b><u>\$ 87,665</u></b>	<b><u>\$ 1,293,377</u></b>	<b><u>\$ 1,187,157</u></b>

*See accompanying notes to financial statements.*

**CENTER FOR FAMILY SERVICES  
OF PALM BEACH COUNTY, INC.**

**STATEMENT OF  
ACTIVITIES**

***For the Year Ended June 30, 2021***

***(with comparable totals for 2020)***

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Totals</u>	<u>2020 Totals</u>
Support and Revenues:				
Governmental grants	\$ 1,754,187	\$ -	\$ 1,754,187	\$ 1,903,894
Contributions and bequests	455,349	67,205	522,554	338,911
United Way allocation	-	27,500	27,500	25,000
Service fees	142,021	-	142,021	153,818
Fundraising	361,709	-	361,709	501,629
SBA PPP loan forgiveness	376,527	-	376,527	-
Miscellaneous and interest income	3,978	-	3,978	5,091
Total support and revenues	<u>3,093,771</u>	<u>94,705</u>	<u>3,188,476</u>	<u>2,928,343</u>
Net assets released from restriction	<u>32,040</u>	<u>(32,040)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program	2,160,923	-	2,160,923	2,029,138
Management and general	403,014	-	403,014	377,233
Fundraising	222,108	-	222,108	309,018
Total expenses	<u>2,786,045</u>	<u>-</u>	<u>2,786,045</u>	<u>2,715,389</u>
Change in net assets	339,766	62,665	402,431	212,954
Net assets, beginning of year	<u>687,646</u>	<u>25,000</u>	<u>712,646</u>	<u>499,692</u>
Net assets, end of year	<u><u>\$ 1,027,412</u></u>	<u><u>\$ 87,665</u></u>	<u><u>\$ 1,115,077</u></u>	<u><u>\$ 712,646</u></u>

*See accompanying notes to financial statements.*

**CENTER FOR FAMILY SERVICES  
OF PALM BEACH COUNTY, INC.**

**STATEMENT OF  
CASH FLOWS**

***For the Year Ended June 30, 2021***

***(with comparable totals for 2020)***

	2021 <u>Totals</u>	2020 <u>Totals</u>
Cash flows from operating activities:		
Cash received from contributors and grantors	\$ 2,188,165	\$ 2,287,729
Cash received from clients	142,021	153,818
Cash received from fundraising events	361,709	501,629
Interest income and other cash received	3,978	5,091
Cash paid to employees	(2,090,040)	(1,980,525)
Cash paid for goods and services	<u>(632,482)</u>	<u>(745,630)</u>
Net cash provided by (used in) operating activities	<u>(26,649)</u>	<u>222,112</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>-</u>	<u>(45,787)</u>
Net cash used in investing activities	<u>-</u>	<u>(45,787)</u>
Cash flows from financing activities:		
Advance on loan payable	<u>-</u>	<u>376,527</u>
Net cash provided by financing activities	<u>-</u>	<u>376,527</u>
Change in cash and cash equivalents	(26,649)	552,852
Cash and cash equivalents, beginning of year	<u>926,212</u>	<u>373,360</u>
Cash and cash equivalents, end of year	<u><u>\$ 899,563</u></u>	<u><u>\$ 926,212</u></u>

*See accompanying notes to financial statements.*

**CENTER FOR FAMILY SERVICES  
OF PALM BEACH COUNTY, INC.**

**STATEMENT OF  
CASH FLOWS**

*For the Year Ended June 30, 2021*

*(with comparable totals for 2020)*

	2021 <u>Totals</u>	2020 <u>Totals</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 402,431	\$ 212,954
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	17,642	6,762
SBA PPP loan forgiveness	(376,527)	-
Decrease (increase) in:		
Accounts receivable	(163,576)	29,757
United Way allocation receivable	(2,500)	(9,833)
Other current assets	15,565	323
Increase (decrease) in:		
Accounts payable	24,589	(26,172)
Accrued compensation and related expenses	5,727	8,321
Refundable advances	50,000	-
Net cash provided by (used in) operating activities	<u>\$ (26,649)</u>	<u>\$ 222,112</u>

*See accompanying notes to financial statements.*



**CENTER FOR FAMILY SERVICES  
OF PALM BEACH COUNTY, INC.**

**STATEMENT OF  
FUNCTIONAL EXPENSES**

***For the Year Ended June 30, 2021***

***(with comparable totals for 2020)***

	Program	Management and General	Fundraising	2021 Totals	2020 Totals
Personnel and related costs	\$1,679,595	\$ 330,681	\$ 79,764	\$2,090,040	\$1,980,525
Occupancy	133,394	31,671	7,461	172,526	170,781
Professional fees	29,050	5,138	343	34,531	23,867
Telephone	21,085	1,771	463	23,319	23,954
Printing and postage	195	109	16	320	830
Insurance	26,231	5,597	1,257	33,085	28,233
Conferences, travel and meetings	152	17	5	174	8,720
Marketing and promotion	1,723	315	43	2,081	4,387
Sponsored events	-	-	126,704	126,704	224,846
Utilities	11,366	2,698	676	14,740	19,820
Interest and bank charges	4,562	3,255	-	7,817	4,047
Repairs and maintenance	46,996	5,873	1,252	54,121	18,098
Supplies, books and subscriptions	30,699	6,487	1,650	38,836	45,406
Training and recruiting	21,325	2,374	648	24,347	13,393
Outside services	110,511	2,080	523	113,114	119,379
Office expense and miscellaneous	10,450	1,592	-	12,042	12,106
Licenses, dues and fees	18,065	2,297	244	20,606	10,235
Depreciation	15,524	1,059	1,059	17,642	6,762
<b>Total expenses</b>	<b>\$2,160,923</b>	<b>\$ 403,014</b>	<b>\$ 222,108</b>	<b>\$2,786,045</b>	<b>\$2,715,389</b>

*See accompanying notes to financial statements.*

*For the Year Ended June 30, 2021*

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**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 *Partners for Change (PFC)* 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) are included in the class without donor restrictions.

*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.

*For the Year Ended June 30, 2021*

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**1. Organization and Significant Accounting Policies, 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.

*For the Year Ended June 30, 2021*

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**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 in excess of \$5,000 are capitalized. 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.

*Refundable Advance*

The Center has reimbursement arrangements with various grantors whereby the Center receives funds ahead of the expenditures. In accordance with the terms of these arrangements, any funds that are not spent within the contract period must be refunded to the grantors.

*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, 2021, amounted to approximately \$7,800.

*For the Year Ended June 30, 2021*

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

*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.

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, 2020, from which the summarized information was derived. Certain 2020 amounts may have been reclassified to conform to 2021 classifications. Such reclassifications would have no effect on the change in net assets as previously reported.

*Recently Adopted Accounting Pronouncements*

As of July 1, 2020, the Center adopted the provisions of FASB Accounting Standards Update (ASU) No. 2014-09, *Revenues from Contracts with Customers* (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

Analysis of various provisions of this standard resulted in no significant changes in the way the Center recognizes revenue, and therefore no changes to the previously issued audited consolidated financial statements were required on a retrospective basis.

*Recent Accounting Pronouncements*

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, 2021. Management is currently evaluating the magnitude and other potential impacts on the Center's financial statements.

*For the Year Ended June 30, 2021*

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**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 beyond planned operating expenditures comprise the following:

Cash and cash equivalents	\$ 899,563
Accounts receivable	328,290
United Way allocation receivable	<u>27,500</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,255,353</u>

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, 2021 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, 2021 is as follows:

Children’s Services Council	\$ 234,419
Southeast Florida Behavioral Health Network	19,459
State of Florida (VOCA)	29,285
U.S. Department of Health	6,840
Other	<u>38,287</u>
Total accounts receivable	<u>\$ 328,290</u>

**4. United Way Allocation Receivable**

As of June 30, 2021, the Center recognized as receivable the 2020-21 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.

*For the Year Ended June 30, 2021*

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**5. Other Current Assets**

Other current assets as of June 30, 2021, consisted of prepaid expenses and deposits.

**6. Property and Equipment**

Property and equipment as of June 30, 2021, consisted of the following:

Furniture and equipment	\$ 486,423
Less accumulated depreciation	<u>457,899</u>
Property and equipment, net	<u>\$ 28,524</u>

**7. Loan Payable**

On April 15, 2020, the Center received a loan in the amount of \$376,527 under the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP") with a local bank as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). On November 3, 2020, the Center was notified by its bank that the loan was 100% forgiven based on qualified cost already incurred by the Center.

**8. Net Assets with Donor Restrictions**

Donor restricted net assets available for periods after June 30, 2021 consisted of the following:

Capital purchases	\$ 25,165
SAFE Kids	<u>62,500</u>
Total net assets with donor restrictions	<u>\$ 87,665</u>

**9. Future Obligations**

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. In May 2020, the Center entered into a software support and maintenance agreement for its clinician's software. The agreement is non-cancellable and requires payments of \$1,140 per quarter over the remaining term of the lease through May 2023. Future minimum payments under this lease and software agreement are as follows:

Year ended <u>June 30,</u>	
2022	\$ 140,830
2023	<u>4,180</u>
Total	<u>\$ 145,010</u>

*For the Year Ended June 30, 2021*

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**9. Future Obligations, continued**

Lease and software expense amounted to approximately \$168,084 for the year ended June 30, 2021, and is contained within occupancy and supplies, books, and subscription expense categories in the Statement of Functional Expenses.

**10. Retirement Benefits**

The Center offers a 401(k) defined contribution retirement plan covering substantially all of its full-time employees. The Center's 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, 2021. The Center's matching contribution and administrative expenses for the plan totaled approximately \$11,000 for the year ended June 30, 2021, and is contained within the personnel and related costs category in the Statement of Functional Expenses.

**11. 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 2021 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, 2021, there was approximately \$163,700 of uninsured deposits held in saving and money market accounts. 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.

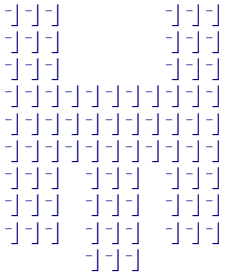
**12. Commitments and Contingencies**

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.

**13. Subsequent Events**

The Center's management has evaluated subsequent events through December 15, 2021, 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.





# Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

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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, 2021, 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 15, 2021.

### 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 for Family Services of Palm Beach County, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 15, 2021

## **SUPPLEMENTARY INFORMATION**

**CENTER FOR FAMILY SERVICES  
OF PALM BEACH COUNTY, INC.**

**SCHEDULE OF FINANCIAL ASSISTANCE**

*For the Year Ended June 30, 2021*

<u>Supporting Agency and Program Title</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Children's Service Council of Palm Beach County:				
Counseling for Parents of Young Children	\$ -	\$ -	\$ 441,044	\$ 441,044
Prenatal Plus Mental Health	-	-	439,280	439,280
Positive Parenting Program	-	-	324,770	324,770
Teenage Positive Parenting Program	-	-	293,205	293,205
Total Children's Service Council	-	-	1,498,299	1,498,299
Health Care District of Palm Beach County:				
District Cares Program	-	-	27,201	27,201
ChildNet:				
S.A.F.E. Kids Program	-	-	7,318	7,318
U.S. Department of Health:				
S.A.F.E. Kids Program	40,000	-	-	40,000
Southeast Florida Behavioral Health Network:				
Substance Abuse and Mental Health	-	-	67,930	67,930
State of Florida:				
Victims of Crime Act Agreement				
S.A.F.E. Kids Program	113,439	-	-	113,439
Total financial assistance	<u>\$ 153,439</u>	<u>\$ -</u>	<u>\$ 1,600,748</u>	<u>\$ 1,754,187</u>

*See independent auditor's report.*

**CENTER FOR FAMILY SERVICES  
OF PALM BEACH COUNTY, INC.**

**SCHEDULE OF PROGRAM EXPENSES**

***For the Year Ended June 30, 2021***

	<u>CPYC</u>	<u>PMH</u>	<u>TRP/TPPP</u>	<u>Counseling</u>	<u>SAFE</u>	<u>Recovery</u>	<u>EAP</u>	<u>Total</u>
Program expenses:								
Personnel and related costs	\$ 274,990	\$ 332,283	\$ 447,863	\$ 168,741	\$ 230,688	\$ 211,072	\$ 13,958	\$ 1,679,595
Occupancy	26,384	22,921	41,855	9,358	15,852	11,944	5,080	133,394
Professional fees	8,135	4,710	6,337	2,806	3,897	2,651	514	29,050
Telephone	5,679	4,450	7,181	585	946	1,940	304	21,085
Printing and postage	52	32	48	16	27	15	5	195
Insurance	5,801	4,374	7,478	1,927	3,228	2,592	831	26,231
Conferences, travel and meetings	15	88	24	5	9	8	3	152
Advertising and promotion	443	282	421	149	230	156	42	1,723
Utilities	2,190	1,909	3,524	768	1,289	1,281	405	11,366
Interest and bank charges	1,238	724	984	397	561	569	89	4,562
Repairs and maintenance	8,815	4,550	10,428	3,626	4,963	13,780	834	46,996
Supplies, books and subscriptions	5,501	4,812	11,141	1,880	3,172	3,209	984	30,699
Training and recruiting	4,799	4,544	6,347	849	2,620	1,737	429	21,325
Outside services	10,427	2,403	3,123	92,137	1,189	897	335	110,511
Office expense and miscellaneous	1,114	2,251	2,286	361	629	3,609	200	10,450
Licenses, dues and fees	4,212	3,186	4,983	1,506	2,332	1,516	330	18,065
Depreciation	4,585	2,822	2,822	1,059	1,059	2,118	1,059	15,524
	<u>\$ 364,380</u>	<u>\$ 396,341</u>	<u>\$ 556,845</u>	<u>\$ 286,170</u>	<u>\$ 272,691</u>	<u>\$ 259,094</u>	<u>\$ 25,402</u>	<u>\$ 2,160,923</u>

*See independent auditor's report.*