

211 PALM BEACH/TREASURE COAST, INC.

**REPORT ON AUDIT OF
CONSOLIDATED FINANCIAL STATEMENTS**

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

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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, 2021, 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.

Basis for 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, 2021, 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.

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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Summarized Comparative Information

We have previously audited the 211 Palm Beach/Treasure Coast, Inc. 2020 consolidated financial statements, and our report dated November 23, 2020, expressed an unmodified opinion on those audited consolidated 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021, 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.

Holyfield & Thomas, LLC

West Palm Beach, Florida
November 15, 2021

*As of June 30, 2021**(with comparable totals for 2020)*

ASSETS	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 1,607,319	\$ 358,247
Grants and allocations receivable	271,434	522,025
Accounts receivable	6,000	12,322
Prepaid expenses and other assets	<u>135,392</u>	<u>120,961</u>
Total current assets	2,020,145	1,013,555
Property and equipment, net	<u>419,706</u>	<u>486,102</u>
Total assets	<u>\$ 2,439,851</u>	<u>\$ 1,499,657</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 121,783	\$ 123,527
Current portion of mortgage payable	15,116	14,525
Deferred revenue	5,000	3,000
Refundable advance	58,248	53,154
Deposits	<u>3,000</u>	<u>10,000</u>
Total current liabilities	203,147	204,206
Mortgage payable, net of current portion	<u>164,689</u>	<u>179,392</u>
Total liabilities	<u>367,836</u>	<u>383,598</u>
Net assets:		
Without donor restrictions	1,858,683	985,419
With donor restrictions	<u>213,332</u>	<u>130,640</u>
Total net assets	<u>2,072,015</u>	<u>1,116,059</u>
Total liabilities and net assets	<u>\$ 2,439,851</u>	<u>\$ 1,499,657</u>

See accompanying notes to consolidated financial statements.

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

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
Support and Revenues:				
Support:				
Federal and state contracts	\$ 808,619	\$ -	\$ 808,619	\$ 638,134
County and other local grants	2,074,986	58,018	2,133,004	1,409,545
United Way allocations	463,368	50,000	513,368	522,949
Contributions	56,412	373,048	429,460	458,421
Gifts in-kind	-	-	-	95
Total support	<u>3,403,385</u>	<u>481,066</u>	<u>3,884,451</u>	<u>3,029,144</u>
Revenues:				
Rental income	48,191	-	48,191	60,249
Fundraising revenue	99,935	-	99,935	195,719
Training and license	2,300	-	2,300	7,100
Other income	14,524	-	14,524	8,484
Total revenues	<u>164,950</u>	<u>-</u>	<u>164,950</u>	<u>271,552</u>
Total support and revenues	<u>3,568,335</u>	<u>481,066</u>	<u>4,049,401</u>	<u>3,300,696</u>
Net assets released from restrictions	<u>398,374</u>	<u>(398,374)</u>	<u>-</u>	<u>-</u>
	<u>3,966,709</u>	<u>82,692</u>	<u>4,049,401</u>	<u>3,300,696</u>
Expenses:				
Program services	2,826,729	-	2,826,729	2,709,829
Support services:				
Management and general	116,982	-	116,982	109,359
Building	37,550	-	37,550	27,568
Fundraising	112,184	-	112,184	179,269
Total expenses	<u>3,093,445</u>	<u>-</u>	<u>3,093,445</u>	<u>3,026,025</u>
Change in net assets	873,264	82,692	955,956	274,671
Net assets, beginning of year	<u>985,419</u>	<u>130,640</u>	<u>1,116,059</u>	<u>841,388</u>
Net assets, end of year	<u>\$ 1,858,683</u>	<u>\$ 213,332</u>	<u>\$ 2,072,015</u>	<u>\$ 1,116,059</u>

See accompanying notes to consolidated financial statements.

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

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from contributors and grantors	\$ 4,150,758	\$ 2,743,255
Cash received from rentals	48,191	60,249
Cash received from fundraising	99,935	195,719
Other income	14,524	8,484
Cash paid to employees and suppliers for goods and services	(3,035,139)	(3,038,462)
Interest paid	<u>(8,083)</u>	<u>(8,681)</u>
Net cash provided by (used in) operating activities	<u>1,270,186</u>	<u>(39,436)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>-</u>	<u>(16,754)</u>
Net cash used in investing activities	<u>-</u>	<u>(16,754)</u>
Cash flows from financing activities:		
Proceeds from deposit	3,000	-
Repayment of deposit	(10,000)	-
Mortgage principal payments	<u>(14,114)</u>	<u>(13,522)</u>
Net cash used in financing activities	<u>(21,114)</u>	<u>(13,522)</u>
Change in cash and cash equivalents	1,249,072	(69,712)
Cash and cash equivalents, beginning of year	<u>358,247</u>	<u>427,959</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,607,319</u></u>	<u><u>\$ 358,247</u></u>

See accompanying notes to consolidated financial statements.

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

	<u>2021</u>	<u>2020</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 955,956	\$ 274,671
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	66,396	64,937
Change in split-interests	(4,227)	-
(Increase) decrease in:		
Grants and allocations receivable	250,591	(328,826)
Accounts receivable	6,324	(12,222)
Prepaid expenses and other assets	(10,204)	(79,499)
(Decrease) increase in:		
Accounts payable and accrued expenses	(1,744)	(6,651)
Deferred revenue	2,000	(5,000)
Refundable advance	5,094	53,154
Net cash provided by (used in) operating activities	<u>\$ 1,270,186</u>	<u>\$ (39,436)</u>

See accompanying notes to consolidated financial statements.

211 PALM BEACH/TREASURE COAST, INC.

For the Year Ended June 30, 2021

	Program Services		Support Services	
	2021	2020	Management and General 2021	2020
Salaries and wages	\$ 2,029,173	\$ 1,842,821	\$ 82,611	\$ 70,729
Payroll taxes and employee benefits	392,791	364,137	14,417	11,608
Total salaries and related expenses	2,421,964	2,206,958	97,028	82,337
Advertising and promotion	6,019	1,068	143	186
Amortization	-	-	-	-
Bank charges	-	-	1,631	318
Computer software and support	73,676	129,225	3,127	4,108
Direct assistance to individuals	12,792	953	-	-
Equipment rental and maintenance	30,712	28,126	709	978
Insurance	44,874	39,035	1,921	1,969
Licenses, dues and subscriptions	12,043	13,878	402	2,123
Miscellaneous	99	-	374	-
Mortgage interest	7,449	7,579	117	339
Occupancy	49,972	54,852	4,219	4,107
Operating supplies	18,547	19,646	327	1,057
Other	1,168	3,671	1,909	2,616
Payroll	808	710	50	37
Postage	4,349	4,786	136	313
Printing	-	7,527	-	-
Professional services	40,261	89,403	2,408	4,483
Property tax	-	-	-	-
Special events venue and other direct expenses	-	-	-	-
Staff training	4,778	3,675	-	170
Telephone	54,075	46,690	1,061	1,629
Travel	3,638	14,715	181	833
Total expenses before depreciation	2,787,224	2,672,497	115,743	107,603
Depreciation	39,505	37,332	1,239	1,756
Total functional expenses	<u>\$ 2,826,729</u>	<u>\$ 2,709,829</u>	<u>\$ 116,982</u>	<u>\$ 109,359</u>

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENT OF
FUNCTIONAL EXPENSES**

(with comparable totals for 2020)

Support Services							
Building		Fundraising		2021	2020	Totals	Totals
2021	2020	2021	2020				
\$ -	\$ -	\$ 66,552	\$ 60,109	\$ 2,178,336	\$ 1,973,659		
-	-	11,403	12,027	418,611	387,772		
-	-	77,955	72,136	2,596,947	2,361,431		
-	-	181	1,517	6,343	2,771		
408	408	-	-	408	408		
10	-	1,466	2,772	3,107	3,090		
-	-	5,840	4,562	82,643	137,895		
-	-	-	-	12,792	953		
-	-	541	1,490	31,962	30,594		
-	-	1,175	2,102	47,970	43,106		
170	220	763	2,468	13,378	18,689		
-	-	-	-	473	-		
-	-	109	355	7,675	8,273		
10,219	25	1,063	2,774	65,473	61,758		
-	-	577	584	19,451	21,287		
-	-	82	553	3,159	6,840		
-	-	34	40	892	787		
-	-	172	274	4,657	5,373		
-	-	-	-	-	7,527		
-	59	1,030	3,310	43,699	97,255		
2,736	2,837	-	-	2,736	2,837		
-	-	18,434	78,439	18,434	78,439		
-	-	20	1,773	4,798	5,618		
-	-	963	1,757	56,099	50,076		
-	-	134	533	3,953	16,081		
13,543	3,549	110,539	177,439	3,027,049	2,961,088		
24,007	24,019	1,645	1,830	66,396	64,937		
<u>\$ 37,550</u>	<u>\$ 27,568</u>	<u>\$ 112,184</u>	<u>\$ 179,269</u>	<u>\$ 3,093,445</u>	<u>\$ 3,026,025</u>		

See accompanying notes to consolidated financial statements.

For the Year Ended June 30, 2021

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.

For the Year Ended June 30, 2021

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.

For the Year Ended June 30, 2021

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 feel that all receivables are collectable for the year ending June 30, 2021.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets are principally comprised of an agreement for a cloud-based phone system, insurance premiums related to future coverage, deposits for special events that are to be held subsequent to the date of the consolidated financial statements, and a gift annuity under a split-interest agreement.

Property and Equipment

Effective July 1, 2020, property and equipment in excess of \$5,000 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 contributions without donor restrictions in the Consolidated Statement of Activities.

Deferred Revenue

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

Refundable Advance

The Organization has an agreement with one of its funders, which allows the Organization to receive an advance to cover certain reimbursable program expenses. Pursuant to the agreement, funds received by the Organization which were not spent are subject to be returned to the funder. As of June 30, 2021, the Organization had a total of \$58,248 in advances to cover certain program expenses for the period July 2021 thru September 2021.

For the Year Ended June 30, 2021

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

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 provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. Generally, the value of volunteer services to the Organization does not satisfy these criteria and is therefore not recognized in the financial statements.

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, 2021 was approximately \$6,300.

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.

For the Year Ended June 30, 2021

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, 2020, from which the summarized information was derived. Certain reclassifications may have been made to the 2020 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

The Financial Accounting Standards Board (FASB) recently issued several Accounting Standards Updates (ASU's) that affect the accounting and reporting of not-for-profit entities. ASU 2016-02, *Leases (Topic 842)*, does not take effect until the Organization's fiscal year ending June 30, 2022, and provides new guidance for leases such that virtually all leases will be capitalized and create "right of use" assets along with associated liabilities. This standard will impact the interpretation of certain Organization transactions, and management is evaluating the effect that this updated standard will have on the financial statements.

Recently Adopted Accounting Pronouncements

As of July 1, 2020, the Organization adopted the provisions of Financial Accounting Standards Board (FASB) ASU 2014-09, *Revenue 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 Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

2. Program Services

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

Resource Center/HelpLine Palm Beach County – Provides information, assessment, referral, crisis intervention, counseling, and suicide intervention, via the telephone number 2-1-1, and via text, chat, email and online database 24 hours a day / 365 days a year. This is a toll free, confidential community and crisis helpline, available to the residents of Palm Beach County.

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

For the Year Ended June 30, 2021

2. Program Services, continued

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 with special needs (birth to age 22) support in finding healthcare options, financial assistance, support groups, educational information, respite and other services.

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 by providing developmental screening and care coordination.

My Florida Veteran – Florida Veterans Support Line provides veterans/former military and their families with comprehensive information, referral to services, emotional support, and care coordination by trained veteran peers who have access to hundreds of community-based 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. These calls can also be life-saving; if one of the isolated elders we call does not answer or has been injured, we send help to them.

Caregiver Project – Caregiver Project serves individuals who are 18 years or older and caregiving for another adult of any age. This program provides supportive crisis counseling, comprehensive needs assessment, linkage to community services, advocacy with family or service providers and follow up.

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	\$ 1,607,319
Grants and allocations receivable	271,434
Accounts receivable	<u>6,000</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,884,753</u>

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, 2021 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Organization

For the Year Ended June 30, 2021**3. Liquidity and Availability of Resources, continued**

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 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, 2021:

Grants and allocations receivable:

Children's Services Council – Palm Beach County	\$ 21,915
Palm Beach County, BOCC	88,728
Department of Children and Families	67,922
Children's Forum	22,818
Palm Beach County FAA	22,200
The Crisis Center of Tampa Bay, Inc.	11,278
Indian River County, BOCC	10,642
National Suicide Prevention Lifeline	10,000
Victim Services and Support	8,667
Children's Services Council – St. Lucie County	3,847
Martin County	2,750
Alzheimer's Community Care Association	<u>667</u>
Total grants and allocations receivable	271,434
Accounts receivable	<u>6,000</u>
Total receivables	<u>\$ 277,434</u>

5. Property and Equipment

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

Office furniture and equipment	\$ 126,621
Computers and software	183,500
Buildings and improvements	647,499
Leasehold improvements	244,122
Land	<u>160,000</u>
	1,361,742
Less accumulated depreciation	<u>942,036</u>
	<u>\$ 419,706</u>

For the Year Ended June 30, 2021**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 with a maturity date of 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, 2021 was \$183,906. The closing costs of \$6,114 are being amortized over the term 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:

2022	\$ 15,116
2023	15,732
2024	16,373
2025	17,735
2026	17,040
Thereafter	<u>101,912</u>
	183,908
Less debt issuance costs, net	<u>4,103</u>
	179,805
Less current portion of mortgage payable	<u>15,116</u>
Long-term mortgage payable	<u>\$ 164,689</u>

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 equal to the Wall Street Journal Prime Rate plus 0.50% (4.00% as of June 30, 2021). The line of credit was unused as of June 30, 2021.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30, 2021:

Elder Crisis Outreach Funds	\$ 55,009
Support special needs family	62,311
VET grant	58,109
Sunshine Program	19,325
Elder Crisis Outreach Grants	8,048
Special needs funds	2,317
Other	<u>8,213</u>
Total net assets with donor restrictions	<u>\$ 213,332</u>

For the Year Ended June 30, 2021

8. Leased Facilities

During the year ended June 30, 2021, 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 most recent lease extension was for the ten months starting June 1, 2010 to March 31, 2021. Base rent was \$4,085 per month for the lease term. At the end of the lease term, the Organization refunded their security deposit of \$10,000. On May 21, 2021 another organization leased the facility for a 3 month period at a base rent of \$6,000. The Organization holds a refundable security deposit of \$3,000.

The future minimum rental income for the year ending June 30, 2021, based on basic rent, is \$12,000. Rental income, including operating expenses, for the year ending June 30, 2021 was \$48,191.

9. Commitments and Contingencies*Leased Office Equipment*

The Organization leases office equipment (including service) under a non-cancellable operating lease which expires in November 2023. Future minimum rental payments required under the above non-cancelable operating lease for the year ending June 30, 2021 is \$ 33,321.

Lease expense for the year ended June 30, 2021 was \$19,774 and is included in equipment rental and maintenance on the Consolidated Statement of Functional Expenses.

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, 2021, 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, 2021 was \$10,115.

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

For the Year Ended June 30, 2021

10. Employee Benefit Plans, continued

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.

During the year ending June 30, 2021, the Organization made contributions to the plan totaling \$2,466.

11. Concentration and Credit Risk

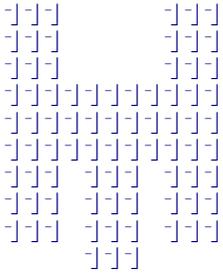
At various times during the year, the Organization may have more funds on deposit at financial institutions than the \$250,000 insured by the Federal Deposit Insurance Corporation and/or the National Credit Union Administration. Management believes its deposits are kept at high quality, regional banking and credit institutions. In Management's opinion, its cash balance does not represent unusual risk. As of June 30, 2021, there were \$1,354,800 in uninsured cash balances.

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 7% of its cash funding from Palm Beach County, 9% from the Southeast Florida Behavioral Health Network, 14% collectively from six local Children's Services Councils, and approximately 13% collectively from seven 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 15, 2021, the date the consolidated financial statements were available to be issued and has determined there were no events to disclose in these consolidated 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
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, 2021 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 15, 2021.

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 15, 2021

SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2021

	Resource Center							Totals
	Palm Beach County	Treasure Coast	Elder Crisis Outreach	Special Needs	Sunshine Services	Help Me Grow	My Florida Veteran	
Salaries and wages	\$ 1,007,336	\$ 320,478	\$ 134,537	\$ 61,593	\$ 87,347	\$ 330,796	\$ 87,086	\$ 2,029,173
Payroll taxes and employee benefits	195,293	66,212	28,839	14,666	10,364	68,613	8,804	392,791
Total salaries and related expenses	1,202,629	386,690	163,376	76,259	97,711	399,409	95,890	2,421,964
Advertising and promotion	2,202	1,888	347	137	1,197	49	199	6,019
Computer software and support	37,847	16,326	4,253	2,141	2,275	7,721	3,113	73,676
Direct assistance to individuals	-	-	464	12,328	-	-	-	12,792
Equipment rental and maintenance	18,714	7,468	1,446	459	591	1,200	834	30,712
Insurance	22,379	10,123	3,880	932	1,563	4,257	1,740	44,874
Licenses, dues and subscriptions	4,720	3,005	742	190	296	2,880	210	12,043
Miscellaneous Expenses	99	-	-	-	-	-	-	99
Mortgage interest	2,303	1,065	322	87	216	3,206	250	7,449
Occupancy	24,202	14,149	3,237	923	1,937	3,988	1,536	49,972
Operating supplies	4,158	1,045	394	158	302	12,273	217	18,547
Other	514	(234)	10	3	126	745	4	1,168
Payroll	429	184	64	39	45	-	47	808
Postage	1,529	447	277	129	238	1,540	189	4,349
Professional services	21,885	8,415	3,365	1,235	1,887	1,541	1,933	40,261
Staff training	2,678	1,612	42	8	31	402	5	4,778
Telephone	29,047	11,166	2,139	363	3,969	6,486	905	54,075
Travel	306	850	428	362	43	1,649	-	3,638
Total expenses before depreciation	1,375,641	464,199	184,786	95,753	112,427	447,346	107,072	2,787,224
Depreciation	19,096	6,755	2,755	1,250	1,840	6,508	1,301	39,505
Total functional expenses	<u>\$ 1,394,737</u>	<u>\$ 470,954</u>	<u>\$ 187,541</u>	<u>\$ 97,003</u>	<u>\$ 114,267</u>	<u>\$ 453,854</u>	<u>\$ 108,373</u>	<u>\$ 2,826,729</u>

See independent auditor's report.

For the Year Ended June 30, 2020

	Resource Center						Totals	
	Palm Beach County	Treasure Coast	Elder Crisis Outreach	Special Needs	Sunshine Services	Help Me Grow		My Florida Veteran
Salaries and wages	\$ 852,418	\$ 314,505	\$ 135,078	\$ 61,149	\$ 75,287	\$ 319,220	\$ 85,164	\$ 1,842,821
Payroll taxes and employee benefits	166,711	70,185	27,952	13,660	9,441	67,314	8,874	364,137
Total salaries and related expenses	1,019,129	384,690	163,030	74,809	84,728	386,534	94,038	2,206,958
Advertising and promotion	587	267	64	14	16	-	120	1,068
Computer software and support	67,981	37,444	4,312	2,940	3,874	9,612	3,062	129,225
Direct assistance to individuals	-	-	953	-	-	-	-	953
Equipment rental and maintenance	18,666	6,076	1,490	673	770	437	14	28,126
Insurance	14,294	10,885	3,927	1,146	1,829	5,638	1,316	39,035
Licenses, dues and subscriptions	4,415	2,947	722	198	473	5,123	-	13,878
Mortgage interest	3,664	1,372	579	260	295	1,409	-	7,579
Occupancy	26,992	12,766	5,879	1,453	2,285	4,103	1,374	54,852
Operating supplies	4,844	4,337	912	243	287	8,510	513	19,646
Other	1,403	633	87	19	248	1,247	34	3,671
Payroll	388	156	66	29	34	-	37	710
Postage	971	932	335	169	188	1,914	277	4,786
Printing	7,527	-	-	-	-	-	-	7,527
Professional services	41,637	25,330	4,415	3,010	3,696	10,180	1,135	89,403
Staff training	2,933	742	-	-	-	-	-	3,675
Telephone	18,402	17,490	1,422	490	2,369	6,517	-	46,690
Travel	2,755	3,803	945	463	397	6,018	334	14,715
Total expenses before depreciation	1,236,588	509,870	189,138	85,916	101,489	447,242	102,254	2,672,497
Depreciation	15,980	7,821	3,214	1,410	1,747	7,160	-	37,332
Total functional expenses	<u>\$ 1,252,568</u>	<u>\$ 517,691</u>	<u>\$ 192,352</u>	<u>\$ 87,326</u>	<u>\$ 103,236</u>	<u>\$ 454,402</u>	<u>\$ 102,254</u>	<u>\$ 2,709,829</u>

See independent auditor's report.