

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

**REPORT ON AUDIT OF  
FINANCIAL STATEMENTS**

**For The Year Ended June 30, 2022  
(with comparable totals for 2021)**

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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

### ***Opinion***

We have audited the accompanying financial statements of Center for Family Services of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Family Services of Palm Beach County, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Center for Family Services of Palm Beach County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Family Services of Palm Beach County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022, 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 the effectiveness of Center for Family Services of Palm Beach County, Inc.'s 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.

***Report on Supplementary Information***

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 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Report on Summarized Comparative Information***

We have previously audited Center for Family Services of Palm Beach County, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 13, 2022

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

**STATEMENT OF  
FINANCIAL POSITION**

***As of June 30, 2022***

***(with comparable totals for 2021)***

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Totals</u>	<u>2021 Totals</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,865,555	\$ 69,056	\$ 1,934,611	\$ 899,563
Accounts receivable	278,081	-	278,081	328,290
United Way allocation receivable	-	30,000	30,000	27,500
Other current assets	37,500	-	37,500	2,000
Total current assets	2,181,136	99,056	2,280,192	1,257,353
Deposits	7,500	-	7,500	7,500
Property and equipment, net	10,881	-	10,881	28,524
Total assets	<u>\$ 2,199,517</u>	<u>\$ 99,056</u>	<u>\$ 2,298,573</u>	<u>\$ 1,293,377</u>
<b>LIABILITIES AND NET ASSETS</b>				
Accounts payable	\$ 13,519	\$ -	\$ 13,519	\$ 34,025
Accrued compensation and related expenses	85,253	-	85,253	94,275
Refundable advances	-	-	-	50,000
Total current liabilities	98,772	-	98,772	178,300
Net assets:				
Without donor restrictions:				
Board designated	1,000,855	-	1,000,855	-
Undesignated	1,099,890	-	1,099,890	1,027,412
Total without donor restrictions	2,100,745	-	2,100,745	1,027,412
With donor restrictions	-	99,056	99,056	87,665
Total net assets	2,100,745	99,056	2,199,801	1,115,077
Total liabilities and net assets	<u>\$ 2,199,517</u>	<u>\$ 99,056</u>	<u>\$ 2,298,573</u>	<u>\$ 1,293,377</u>

*See accompanying notes to financial statements.*

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

**STATEMENT OF  
ACTIVITIES**

***For the Year Ended June 30, 2022***

***(with comparable totals for 2021)***

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Totals</u>	<u>2021 Totals</u>
Support and Revenues:				
Governmental grants	\$ 1,949,341	\$ -	\$ 1,949,341	\$ 1,754,187
Contributions and bequests	1,534,179	76,700	1,610,879	522,554
United Way allocation	-	30,000	30,000	27,500
Service fees	67,353	-	67,353	142,021
Fundraising	382,882	-	382,882	361,709
SBA PPP loan forgiveness	-	-	-	376,527
Miscellaneous and interest income	3,658	-	3,658	3,978
	<u>3,937,413</u>	<u>106,700</u>	<u>4,044,113</u>	<u>3,188,476</u>
Net assets released from restriction	<u>95,309</u>	<u>(95,309)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program	2,287,158	-	2,287,158	2,160,923
Management and general	438,424	-	438,424	403,014
Fundraising	233,807	-	233,807	222,108
	<u>2,959,389</u>	<u>-</u>	<u>2,959,389</u>	<u>2,786,045</u>
Change in net assets	1,073,333	11,391	1,084,724	402,431
Net assets, beginning of year	<u>1,027,412</u>	<u>87,665</u>	<u>1,115,077</u>	<u>712,646</u>
Net assets, end of year	<u>\$ 2,100,745</u>	<u>\$ 99,056</u>	<u>\$ 2,199,801</u>	<u>\$ 1,115,077</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, 2022*

*(with comparable totals for 2021)*

	2022 <u>Totals</u>	2021 <u>Totals</u>
Cash flows from operating activities:		
Cash received from contributors and grantors	\$ 3,587,929	\$ 2,188,165
Cash received from clients	67,353	142,021
Cash received from fundraising events	382,882	361,709
Interest income and other cash received	3,658	3,978
Cash paid to employees	(2,325,063)	(2,090,040)
Cash paid for goods and services	<u>(681,711)</u>	<u>(632,482)</u>
Net cash provided by (used in) operating activities	<u>1,035,048</u>	<u>(26,649)</u>
Change in cash and cash equivalents	1,035,048	(26,649)
Cash and cash equivalents, beginning of year	<u>899,563</u>	<u>926,212</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,934,611</u></u>	<u><u>\$ 899,563</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, 2022***

***(with comparable totals for 2021)***

	<u>2022</u> <u>Totals</u>	<u>2021</u> <u>Totals</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 1,084,724	\$ 402,431
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	17,643	17,642
SBA PPP loan forgiveness	-	(376,527)
Decrease (increase) in:		
Accounts receivable	50,209	(163,576)
United Way allocation receivable	(2,500)	(2,500)
Other current assets	(35,500)	15,565
Increase (decrease) in:		
Accounts payable	(20,506)	24,589
Accrued compensation and related expenses	(9,022)	5,727
Refundable advances	(50,000)	50,000
Net cash provided by (used in) operating activities	<u>\$ 1,035,048</u>	<u>\$ (26,649)</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, 2022***

***(with comparable totals for 2021)***

	Program	Management and General	Fundraising	2022 Totals	2021 Totals
Personnel and related costs	\$1,850,779	\$ 362,590	\$ 102,672	\$2,316,041	\$2,090,040
Occupancy	132,821	28,877	8,420	170,118	172,526
Sponsored events	-	-	106,130	106,130	126,704
Outside services	59,197	3,144	920	63,261	113,114
Supplies, books and subscriptions	38,176	6,862	1,802	46,840	38,836
Office expense and miscellaneous	39,978	6,218	-	46,196	12,042
Repairs and maintenance	26,267	12,530	1,482	40,279	54,121
Insurance	27,891	6,079	1,788	35,758	33,085
Telephone	29,565	1,613	474	31,652	23,319
Professional fees	24,799	829	1,066	26,694	34,531
Depreciation	15,524	1,060	1,059	17,643	17,642
Utilities	13,755	2,998	882	17,635	14,740
Training and recruiting	11,595	1,938	493	14,026	24,347
Marketing and promotion	4,360	1,155	4,387	9,902	2,081
Licenses, dues and fees	7,660	1,432	242	9,334	20,606
Printing and postage	1,380	200	1,975	3,555	320
Conferences, travel and meetings	2,642	82	15	2,739	174
Interest and bank charges	769	817	-	1,586	7,817
<b>Total expenses</b>	<b>\$2,287,158</b>	<b>\$ 438,424</b>	<b>\$ 233,807</b>	<b>\$2,959,389</b>	<b>\$2,786,045</b>

*See accompanying notes to financial statements.*

*For the Year Ended June 30, 2022*

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**1. Organization and Significant Accounting Policies**

*Organization and Nature of Activities*

Center for Family Services of Palm Beach County, Inc. (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)* is a program funded by the Children's Services Council of Palm Beach County which offers a mental health assessment and ongoing mental health counseling for pregnant mothers who are at risk of negative maternal and/or infant health outcomes.

*Positive Parenting Program/Teen Positive Parenting (Triple P / Teen Triple P)* is a multilevel system of family support interventions for parents of children and teens that are funded by the Children's Services Council of Palm Beach County. Triple P promotes positive caring relationships between parents and their children and helps parents develop effective management strategies for dealing with a variety of behavioral issues and common developmental issues.

*Individual and Family Counseling* assists individuals and families with a variety of issues including relational and family challenges, depression, change of life stressors, stress, anxiety and behavioral health.

*S.A.F.E. (Stop Abuse by Family Empowerment) Kids* provides counseling to child (and adult) victims of sexual abuse and assault, physical abuse, neglect, domestic violence, trafficking, and other crimes. SAFE Kids is the only Sexual Abuse Treatment Program officially recognized by the State of Florida in PBC.

*Expanding and Maximizing Better Access to Recovery and Resiliency through Care Coordination (EMBARRCC)* is a program funded by Southeast Florida Behavioral Health Network that provides level of care assessments and intensive care coordination services to help individuals reach their substance misuse and mental health goals.

The *Partners for Change (PFC)* program provides individual and group counseling and education to those seeking assistance with substance misuse.

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

*For the Year Ended June 30, 2022*

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

*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 those resources be maintained in perpetuity.

*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 did not have financial instruments measured at fair value on a recurring basis.

*For the Year Ended June 30, 2022*

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

*Fair Value of Financial Instruments, continued*

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.

*Property and Equipment*

Expenditures for property and equipment are stated at cost. Expenditures for major additions and improvements in excess of \$10,000 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.

*Board Designated*

As of June 30, 2022, the Center has segregated \$1,000,855 of net assets as a Board designated fund.

*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.

*For the Year Ended June 30, 2022*

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

*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.

*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 is part of Marketing and promotion in the Statement of Functional Expenses, and amounted to approximately \$7,100 for the year ended June 30, 2022.

*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, 2021, from which the summarized information was derived. Certain 2021 amounts may have been reclassified to conform to 2022 classifications. Such reclassifications would have no effect on the change in net assets as previously reported.

***For the Year Ended June 30, 2022***

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

*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.

**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	\$ 1,934,611
Accounts receivable	278,081
United Way allocation receivable	<u>30,000</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 2,242,692</u>

The Center receives significant revenue from a contract with Children’s Service Council of Palm Beach County, which typically covers over 60% 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, 2022 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 is 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, 2022 is as follows:

Children’s Services Council	\$ 117,070
Southeast Florida Behavioral Health Network	34,292
State of Florida (VOCA)	95,866
U.S. Department of Health	6,854
Other	<u>23,999</u>
Total accounts receivable	<u>\$ 278,081</u>

***For the Year Ended June 30, 2022***

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**4. United Way Allocation Receivable**

As of June 30, 2022, the Center recognized as receivable the 2022-23 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, 2022, consisted of expenses and deposits for events that are yet to be held.

**6. Property and Equipment**

Property and equipment as of June 30, 2022, consisted of the following:

Furniture and equipment	\$ 486,423
Less accumulated depreciation	<u>475,542</u>
Property and equipment, net	<u>\$ 10,881</u>

**7. Net Assets with Donor Restrictions**

Donor restricted net assets available for periods after June 30, 2022 consisted of the following:

Capital purchases	\$ 14,056
Counseling	55,000
SAFE Kids	<u>30,000</u>
Total net assets with donor restrictions	<u>\$ 99,056</u>

**8. 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 2022 under a non-cancellable lease and requires payments of \$14,989 per month for year 1 and 2, and annual increases by the Consumer Price Index, not to exceed 6%, for years 3, 4, and 5. 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.



***For the Year Ended June 30, 2022***

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***8. Future Obligations, continued***

Future minimum payments under these lease and software agreements are as follows:

Year ended <u>June 30,</u>	
2023	\$ 184,048
2024	179,868
2025	179,868
2026	179,868
2027	<u>149,890</u>
Total	<u>\$ 873,542</u>

Lease and software expense amounted to approximately \$170,800 for the year ended June 30, 2022, and is contained within occupancy and supplies, books, and subscription expense 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. 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, 2022. The Center's matching contribution and administrative expense for the plan totaled approximately \$7,800 for the year ended June 30, 2022, 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 70% of the Center's fiscal 2022 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 \$250,000. As of June 30, 2022, there was approximately \$1,202,700 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.

*For the Year Ended June 30, 2022*

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**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 13, 2022, 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, 2022, 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 13, 2022.

### 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 13, 2022

## **SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF FINANCIAL ASSISTANCE**

*For the Year Ended June 30, 2022*

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
<u>Supporting Agency and Program Title</u>				
Children's Service Council of Palm Beach County:				
Counseling for Parents of Young Children	\$ -	\$ -	\$ 394,379	\$ 394,379
Prenatal Plus Mental Health	-	-	345,564	345,564
Positive Parenting Program	-	-	324,773	324,773
Teenage Positive Parenting Program	-	-	296,515	296,515
	<hr/>	<hr/>	<hr/>	<hr/>
Total Children's Service Council	-	-	1,361,231	1,361,231
Health Care District of Palm Beach County:				
District Cares Program	-	-	9,035	9,035
U.S. Department of Health:				
S.A.F.E. Kids Program	41,041	-	-	41,041
Southeast Florida Behavioral Health Network:				
Substance Abuse and Mental Health	-	-	375,558	375,558
State of Florida:				
Victims of Crime Act Agreement				
S.A.F.E. Kids Program	162,476	-	-	162,476
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assistance	<u>\$ 203,517</u>	<u>\$ -</u>	<u>\$ 1,745,824</u>	<u>\$ 1,949,341</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, 2022***

	<u>CPYC</u>	<u>PMH</u>	<u>TRP/TPPP</u>	<u>Counseling</u>	<u>SAFE</u>	<u>EMBARRCC</u>	<u>PFC</u>	<u>EAP</u>	<u>Total</u>
Program expenses:									
Personnel and related costs	\$ 268,674	\$ 308,977	\$ 418,646	\$ 161,005	\$ 292,183	\$ 210,053	\$ 171,146	\$ 20,095	\$ 1,850,779
Occupancy	25,690	20,435	37,318	8,549	13,643	11,930	11,865	3,391	132,821
Outside services	3,601	2,223	4,065	44,866	1,483	1,297	1,293	369	59,197
Supplies, books and subscriptions	5,851	6,342	10,163	1,943	3,748	6,796	2,591	742	38,176
Office expense and miscellaneous	2,104	2,771	4,866	818	997	27,410	785	227	39,978
Repairs and maintenance	4,529	3,565	6,487	1,571	2,457	4,784	2,278	596	26,267
Insurance	5,364	4,291	7,866	1,788	2,861	2,503	2,503	715	27,891
Telephone	8,656	5,945	8,457	763	1,052	3,514	988	190	29,565
Professional fees	5,737	3,884	6,076	1,876	2,573	2,218	1,888	547	24,799
Depreciation	4,585	2,822	2,822	1,059	1,059	1,059	1,059	1,059	15,524
Utilities	2,645	2,116	3,880	882	1,411	1,234	1,234	353	13,755
Training and recruiting	2,541	2,696	2,550	917	1,017	933	730	211	11,595
Marketing and promotion	1,101	674	974	341	481	409	294	86	4,360
Licenses, dues and fees	1,714	1,605	1,689	539	779	665	517	152	7,660
Printing and postage	74	285	876	25	40	35	35	10	1,380
Conferences, travel and meetings	49	38	1,944	16	546	22	21	6	2,642
Interest and bank charges	125	139	207	56	73	83	64	22	769
	<u>\$ 343,040</u>	<u>\$ 368,808</u>	<u>\$ 518,886</u>	<u>\$ 227,014</u>	<u>\$ 326,403</u>	<u>\$ 274,945</u>	<u>\$ 199,291</u>	<u>\$ 28,771</u>	<u>\$ 2,287,158</u>

*See independent auditor's report.*