ADOPT-A-FAMILY
OF THE PALM BEACHES, INC.

REPORT ON AUDIT OF
CONSOLIDATED FINANCIAL STATEMENTS

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Adopt-A-Family
of the Palm Beaches, Inc.
Lake Worth, Florida

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2019, on our consideration of Adopt-A-Family of the Palm Beaches, 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 Adopt-A-Family of the Palm Beaches, Inc.'s internal control over financial reporting and compliance.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. In addition, the consolidated schedules of revenues and expenses – operations and capital project, and program expenses are presented for purposes of additional analysis, and are not a required part of the basic consolidated financial statements. The schedule of expenditures of federal awards and consolidated schedules of revenues and expenses – operations and capital project, and program expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the June 30, 2018 financial statements, and our report dated October 23, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
October 25, 2019

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

	Without Donor Restrictions	With Donor Restrictions	2019 Totals	2018 Totals
ASSETS				
Current assets:				
Cash and cash equivalents	$ 867,726	$ 3,049,716	$ 3,917,442	$ 3,576,958
Grants and allocations receivable	626,292	199,000	825,292	819,942
Contributions receivable, net	22,750	-	22,750	21,950
Prepaid expenses	89,130	-	89,130	81,426
Other current assets	1,275	-	1,275	1,275
Total current assets	1,607,173	3,248,716	4,855,889	4,501,551
Cash and cash equivalents, non-current	637,207	23,472	660,679	551,776
Other assets	6,768	-	6,768	6,768
Property and equipment, net	4,787,606	-	4,787,606	4,218,054
Community land trust, net	1,519,303	-	1,519,303	1,593,747
Total assets	$ 8,558,057	$ 3,272,188	$ 11,830,245	$ 10,871,896
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$ 46,432	$ -	$ 46,432	$ 49,408
Accrued expenses	434,419	-	434,419	217,494
Current portion of obligation under capital lease	23,557	-	23,557	23,305
Current portion of loan payable	12,497	-	12,497	11,762
Total current liabilities	516,905	-	516,905	301,969
Non-current liabilities:				
Resident deposits and escrow accounts	137,207	-	137,207	140,302
Obligation under capital lease	79,629	-	79,629	15,319
Loan payable	133,355	-	133,355	145,781
Total liabilities	867,096	-	867,096	603,371
Net assets:				
Without donor restrictions:				
Equity in fixed assets	4,538,568	-	4,538,568	4,021,887
Equity in community land trust	1,519,303	-	1,519,303	1,593,747
Designated for contingencies	500,000	-	500,000	357,000
Undesignated	1,133,090	-	1,133,090	1,474,283
Total without donor restrictions	7,690,961	-	7,690,961	7,446,917
With donor restrictions	-	3,272,188	3,272,188	2,821,608
Total net assets	7,690,961	3,272,188	10,963,149	10,268,525
Total liabilities and net assets	$ 8,558,057	$ 3,272,188	$ 11,830,245	$ 10,871,896

See accompanying notes to consolidated financial statements.

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

	Without Donor Restrictions	With Donor Restrictions	2019 Totals	2018 Totals
Support and revenue:				
Grants and donations:				
Governmental grants	$ 3,567,599	$ -	$ 3,567,599	$ 3,491,959
United Way allocations	307,261	199,000	506,261	476,712
Contributions	1,058,666	1,284,351	2,343,017	3,012,140
In-kind donations	42,710	-	42,710	31,320
Total grants and donations	4,976,236	1,483,351	6,459,587	7,012,131
Special events	759,811	-	759,811	838,984
Rents	479,410	-	479,410	467,765
GROW tuition	8,113	-	8,113	13,012
Other income	48,064	-	48,064	13,428
Total support and revenue	6,271,634	1,483,351	7,754,985	8,345,320
Net assets released from restriction	1,032,771	(1,032,771)	-	-
Expenses:				
Program services	5,867,761	-	5,867,761	5,536,076
General and administrative	536,988	-	536,988	475,017
Fundraising and development	655,612	-	655,612	523,173
Total expenses	7,060,361	-	7,060,361	6,534,266
Change in net assets	244,044	450,580	694,624	1,811,054
Net assets, beginning of year	7,446,917	2,821,608	10,268,525	8,457,471
Net assets, end of year	$ 7,690,961	$ 3,272,188	$ 10,963,149	$ 10,268,525

See accompanying notes to consolidated financial statements.

	2019	2018
Cash flows from operating activities:		
Cash received from grants and donations	$ 5,492,481	$ 4,960,946
Cash received from special events	615,125	719,226
Cash received from rents and tuition	479,410	467,765
Cash paid to suppliers, client assistance and employees	(6,309,897)	(6,012,407)
Other income received	19,045	26,440
Interest expense paid	(10,151)	(9,683)
Net cash provided by operating activities	286,013	152,287
Cash flows from investing activities:		
Purchase of property and equipment	(750,368)	(106,743)
Proceeds from disposal of capital lease	14,428	-
Net cash used in investing activities	(735,940)	(106,743)
Cash flows from financing activities:		
Change in resident deposits and escrow accounts	(3,095)	2,396
Proceeds from contributions restricted for capital campaign	951,850	1,807,973
Principal payments on obligation under capital lease	(37,750)	(23,305)
Principal payments of loans payable	(11,691)	(11,139)
Net cash provided by financing activities	899,314	1,775,925
Change in cash and cash equivalents	449,387	1,821,469
Cash and cash equivalents, beginning	4,128,734	2,307,265
Cash and cash equivalents, ending	4,578,121	4,128,734
Cash and cash equivalents, non-current	(660,679)	(551,776)
Cash and cash equivalents, current	$ 3,917,442	$ 3,576,958

See accompanying notes to consolidated financial statements.

	2019	2018
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	$ 694,624	$ 1,811,054
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	347,472	354,339
Gain on disposal of capital lease	(4,328)	-
(Increase) decrease in certain assets:		
Grants and allocations receivable	(5,350)	(86,229)
Contributions receivable	(800)	14,363
Prepaid expenses	(7,704)	13,700
Other current assets	-	95
Increase (decrease) in certain liabilities:		
Accounts payable	(2,976)	(13,378)
Accrued expenses	216,925	(8,021)
Refundable advances	-	(125,663)
Contributions restricted for capital campaign	(951,850)	(1,807,973)
Net cash provided by operating activities	$ 286,013	$ 152,287

Supplemental disclosure of non cash investing and financing activities:

During 2019, the Organization incurred debt of $102,312 in the form of a capital lease used to acquire new office equipment.

See accompanying notes to consolidated financial statements.

	Program Services	Management and General	Fundraising and Development	2019 Totals	2018 Totals
Salaries	$ 2,297,924	$ 273,580	$ 290,684	$ 2,862,188	$ 2,563,259
Employee benefits	496,938	58,009	53,751	608,698	527,424
Payroll taxes	170,470	16,525	20,425	207,420	187,923
	2,965,332	348,114	364,860	3,678,306	3,278,606
Advertising and recruitment	4,752	191	130	5,073	5,509
Building maintenance	185,993	40,573	6,080	232,646	176,427
Direct fundraising costs	-	-	143,886	143,886	134,121
Equipment rental	-	2,621	-	2,621	1,766
Insurance expense	144,652	40,892	19,545	205,089	189,308
Interest expense	-	10,151	-	10,151	9,683
Membership dues	15,957	1,327	4,898	22,182	9,991
Office supplies	58,730	13,979	4,384	77,093	64,155
Other expenses	97	3,635	10,689	14,421	6,605
Postage	675	2,969	488	4,132	3,849
Printing	1,226	196	7,368	8,790	8,624
Professional fees	101,511	23,444	77,619	202,574	160,131
Property tax	24,615	964	2,358	27,937	29,941
Rent	8,355	1,844	651	10,850	11,869
Specific assistance and program supplies	1,935,312	-	-	1,935,312	1,963,068
Telephone	25,812	3,843	1,393	31,048	31,826
Training and development	20,156	17,237	2,128	39,521	31,277
Travel and transportation	25,484	1,869	482	27,835	27,169
Utilities	26,420	5,125	1,877	33,422	36,002
	5,545,079	518,974	648,836	6,712,889	6,179,927
Depreciation	322,682	18,014	6,776	347,472	354,339
Total expenses	$ 5,867,761	$ 536,988	$ 655,612	$ 7,060,361	$ 6,534,266

See accompanying notes to consolidated financial statements.

1. Business and Summary of Significant Accounting Policies

Presentation

The accompanying financial statements reflect the consolidated financial statements of Adopt-A-Family of the Palm Beaches, Inc. ("AAF") and LW NSP2, LLC ("LLC") (collectively the "Organization"). All significant inter-organization accounts and transactions have been eliminated.

Organization

Adopt-A-Family of the Palm Beaches, Inc. was incorporated in November 1984, as a not-for-profit corporation under Florida law. AAF is a non-profit 501(c)(3) organization dedicated to strengthening families with children in their efforts to achieve stability and self-sufficiency by providing access to all-encompassing services. LW NSP2, LLC was created in December 2010, as a single member LLC with AAF as the only member. The LLC owns and operates various rental properties under the Neighborhood Stabilization Program 2. Some of the programs offered by the Organization include:

Bridges to Success

Bridges to Success is a permanent supportive housing program for homeless families funded by HUD. The program offers scattered site housing in western Palm Beach County to homeless families with a head of household living with a disability. The program offers intensive case management and supportive services to all residents and is one of the only options for homeless families residing in Belle Glade, Pahokee, and others areas in western Palm Beach County. This is a collaborative program with other not-for-profit agencies for residents in Palm Beach County. 100% of participating families, constituting 32 individuals, remained stably housed during the fiscal year and 55% increased or maintained their income.

Project Grow

Project Grow is the agency's licensed afterschool/out-of-school program serving children in kindergarten through fifth grade. Most children attending are formerly homeless and reside in one of the agency's housing programs. The program is customized to meet the unique needs of formerly homeless children and focuses on building the children's social, emotional, and educational skills. 98% of the children attending Project Grow were promoted to the next grade level during the school year ended during June 2019.

Senator Philip D. Lewis Homeless Resource Center (HRC)

The Organization is a partner agency of Palm Beach County's homeless resource center (HRC), which opened in 2012. The HRC serves as Palm Beach County's "front door" for access to homeless services. The Organization operates the family division and provides homeless families with assessments, case management, access to mainstream resources, vital shelter and housing services, and permanent housing. The HRC family division receives funding from multiple sources, including Palm Beach County, HUD, private foundations and partnering agencies. Over 7,000 calls were received by the HRC family division which resulted in 2,849 individuals, of which, 1,013 were adults and 1,836 were children, receiving services during the fiscal year. 94% of families who were housed by the HRC maintained stable housing after one year as evidenced by not re-entering the homeless system.

1. Business and Summary of Significant Accounting Policies, continued

Organization, continued

Senator Philip D. Lewis Homeless Resource Center (HRC), continued

Connecting Youth to Opportunities (CYTO)

CYTO is a Rapid Re-Housing program for families experiencing homelessness, whose head of household must be 18 to 24 years old at program entry. The program is one of the HUD funded programs administered out of the HRC. The program offers intensive case management and supportive services to all residents, as well as a declining rental subsidy to assist clients while they get to point of sustaining the total rent on their own. A total of 43 families, or 120 individuals, received services and 81% of the families participating in the program increased or maintained their income during the fiscal year.

Housing Stabilization Program

The Housing Stabilization Program provides homeless prevention services to families who are at imminent risk of eviction and homelessness. Families receive case management, financial assistance, and other supportive services to help them remain in their home. This program prevented 226 Palm Beach County families from becoming homeless and allowed them to remain stably housed during the fiscal year. In addition, 88% of the families served in the prior fiscal year remained stably housed after agency assistance.

Neighborhood Stabilization Program 2 (NSP2)

The Organization, in partnership with the Lake Worth Community Redevelopment Agency (CRA), was one of 56 awardees in 2010 to be awarded funding through HUD's NSP2 funding competition. The goal of the program was to stabilize neighborhoods through the acquisition and rehabilitation of foreclosed properties. The Organization rehabilitated and constructed a total of forty-one housing units in the City of Lake Worth as a result of this opportunity. A total of seventeen units were sold by the Organization to income-qualified households between 2010 and 2014. Twenty-four units were retained by the Organization and are currently being used as rental properties for low-income families. The program maintained a 98% occupancy rate during the fiscal year and served 91 individuals.

Project S.A.F.E. (Stable, Able, Family Environment)

Project SAFE is a permanent supportive housing program for homeless families partially funded by HUD. The program consists of 32 units of agency-owned housing and is currently the largest permanent supportive housing program for homeless families with a head of household living with a disability in Palm Beach County. The program offers intensive case management and supportive services to all 119 of the residents. 100% of participating families remained stably housed during the fiscal year. 63% of the 43 adults participating in the program increased or maintained their income during the fiscal year.

1. Business and Summary of Significant Accounting Policies, continued

Organization, continued

Service Enriched Housing (S.E.H.)

The Service Enriched Housing program offers affordable housing to low-income families who are on the path to home ownership. The program consists of 30 two-bedroom apartment units located adjacent to the Organization's Family Resource Center. Rent is based on 30% of the family's gross income. The Organization captures the first $550 as the base rent with all additional funds placed in escrow and used for credit repair, home ownership activities, and general wealth building. Collectively participant families saved $37,713 during the fiscal year.

Community Land Trust Program/Wiley Reynolds Apartments

The Organization's Community Land Trust Program combined with the Organization's Wiley Reynolds Apartments provides affordable home ownership and rental opportunities to income qualified households. Home ownership opportunities use a land lease model in which the Organization retains ownership of the land while the purchaser owns the improvements. This arrangement permits the improvements to be sold at a reduced rate. Rental opportunities primarily consist of the nine-unit Wiley Reynolds Gardens apartments. The units offer low-income and families experiencing homelessness housing that is priced below 50% of the fair market rent rates. 34 individuals were served during the fiscal year and 88% of the heads of household of participating families were employed full time during the fiscal year.

Mental Health Wellness

The Mental Health Wellness Program's (MHW) primary goal is eliminating barriers to mental health services for the Organization's high-need participants and to improve their mental health and family functioning. Though many families served by the Agency are in need of mental health services, a significant portion of the Organization's families do not engage with therapists due to barriers such as lack of transportation, acceptable health coverage, financial requirements and provider availability. In addition, the onsite therapist is available for crisis intervention and de-escalation, and provides guidance to case managers of the families. 42 individuals engaged in therapy during the fiscal year. 94% of the clients enrolled in the program have shown improved mental health based on scores in the DSM-5 Cross Cutting Symptom Measures tool.

Program REACH

The Organization operates Palm Beach County's main emergency shelter serving families with minor children experiencing homelessness. Program REACH (REACH) provides 19 apartments ranging between 1 – 3 bedrooms of up to 90-day immediate and safe housing paired with support services and resources as families seek a permanent housing solution. Families enter REACH through the HRC. 407 individuals were assisted during the fiscal year with REACH. 100% of families remained housed for three months after successfully exiting the shelter.

1. Business and Summary of Significant Accounting Policies, continued

Basis of Accounting

The consolidated financial statements of the Organization 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.

Consolidated 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: Include financial resources not restricted by donors, even though their use may be limited in other ways, such as by contract or by Board designation. Unrestricted amounts are currently available, at the discretion of the Board, for use in the Organization's operations.
>
> The Organization does not imply time restrictions on gifts of long-lived assets. In the absence of explicit donor stipulation as to how long an asset must be held, the Organization releases any purpose restrictions when the asset is placed in service for the use stipulated by the donor.
>
> Net assets with donor restrictions: Include financial resources whose use by the Organization has been limited by donor restriction as to the period of use or to specified purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the restricted amounts are reclassified to net assets without donor restrictions.

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 certain reported amounts and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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.

1. Business and Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments, continued

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 fair value of financial instruments that are not disclosed under ASC 820-10.

Cash and Cash Equivalents: The carrying amount reported approximates fair value.

Grants and Allocations and Contributions Receivable: The carrying amount approximates fair value due to the short term of the receivables.

Accounts Payable and Accrued Expenses: The carrying amount reported approximates fair value due to the short term duration of the instruments.

Capital Lease, Line of Credit and Loans Payable: The carrying amount reported approximates fair value as the stated interest rates approximate market rates.

Cash and Cash Equivalents

Cash and cash equivalents include checking, savings, money market accounts, and petty cash. The Organization also considers short-term investments with a maturity of three months or less when purchased to be cash equivalents.

Grants and Allocations Receivable

Grants receivable are recorded when services have been rendered. If events or changes in circumstances indicate that specific receivable balances may be disallowed by the granting authority, the receivable balances are written-off as an operating expense. Allocations receivable that are unconditional are recorded at the time of receipt.

Promises to Give

Unconditional promises to give are recognized as support in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give noncash assets that are expected to be received in future years are recorded at the present value of the expected fair value of the underlying noncash assets expected to be received. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Any changes in the expected fair value of underlying noncash assets are reported as increases and decreases in contribution revenue in the period the change occurs. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

1. Business and Summary of Significant Accounting Policies, continued

Property and Equipment

Acquisitions of property and equipment in excess of $2,500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of the donation. Donations of property and equipment are recorded as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies donor restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful life of the assets, ranging from 3 to 39 years.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Resident Deposits and Escrow Accounts

In connection with its various housing programs, the Organization receives and maintains deposits on rent and escrow funds for residents to be later returned to them or recorded as revenue.

Accrued Absences

Employees may accumulate unused vacation based upon the length of service. Accumulated vacation is payable to eligible employees upon termination or retirement at the current rate of pay, if employed more than 90 days. Accumulated unpaid vacation is accrued as a liability and charged to expense as incurred.

Designated for Contingencies

As of June 30, 2019, the Organization has segregated $500,000 of net assets for a contingency fund. The contingency fund constitutes $345,400 for AAF needs and $154,600 for NSP2 needs.

Revenue Recognition

The Organization receives various grants from federal, 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 Consolidated 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 donor restricted 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 of the grant are met.

1. __Business and Summary of Significant Accounting Policies__, continued

Support and Revenue

Support from foundation, 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, donor restricted net assets are reclassified and reported in the Consolidated Statements of Activities as net assets released from restriction. However, if the restriction is met in the same period as the restricted income is received, the Organization classifies such income as unrestricted support.

In-Kind Donations

The Organization records various types of in-kind support including contributed professional services and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The total amount of donated goods during the year ended June 30, 2019, amounted to approximately $42,700. This amount is recognized as both revenue, under the caption of in-kind donations, and as various expenses in the Consolidated Statement of Activities and Consolidated Statement of Functional Expenses. There were no significant contributions of professional services for the year ended June 30, 2019.

In addition, the Organization relies on volunteers who donate significant time in the advancement of its goals; however, such services do not meet the criteria for financial statement recognition and are therefore not included herein.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and according to natural classification in the Consolidated Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Specific Assistance

Specific assistance expense, as denoted on the Consolidated Statement of Functional Expenses, consists of direct financial assistance expended on behalf of the Organization’s clients correlating to the mission of the respective programs.

Advertising Costs

Advertising costs are charged to operations when incurred.

1. __Business and Summary of Significant Accounting Policies__, continued

Income Taxes

Adopt-A-Family of the Palm Beaches, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. LW NSP2, LLC is a single member LLC and is treated as a disregarded entity for income tax purposes. Therefore, no provision for income taxes has been made in these consolidated financial statements. In addition, AAF qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

The Organization 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 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. The Organization has not accrued any interest expense or penalties related to tax positions for the year ended June 30, 2019, and there are currently no open Federal or State tax years under audit.

Comparative Financial Statement 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 Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Recent Accounting Pronouncements

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

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

1. Business and Summary of Significant Accounting Policies, continued

Recently Adopted Accounting Pronouncements

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

- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The temporarily restricted net asset class has been renamed net assets with donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 2).
- A summary of the net asset reclassifications driven by the adoption of ASU 2016-14 changed the beginning net assets for the year ended June 30, 2019, follows:

As originally stated:	
Unrestricted	$ 5,880,030
Temporarily restricted	4,388,495
Total beginning net assets, July 1, 2018	$ 10,268,525
As restated:	
Without donor restrictions	$ 7,446,917
With donor restrictions	2,821,608
Total beginning net assets, July 1, 2018	$ 10,268,525

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 within one year of the Statement of Financial Position date, comprise the following:

Cash and cash equivalents	$ 3,917,442
Grants and allocation receivable	825,292
Contributions receivable	22,750
Financial assets available within one year	4,765,484
Amounts unavailable for general expenditures within one year due to:	
Restricted by donors for capital projects	(2,820,379)
Total financial assets available to meet general expenditures over the next 12 months	$ 1,945,105

2. Liquidity and Availability of Resources, continued

The Organization is substantially supported by contributions without donor and with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Some of the Organization's net assets with donor restrictions are available for general expenditure within one year of June 30, 2019 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Organization in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. Furthermore, management believes the Organization has sufficient cash designated by the Board for contingencies plus a $350,000 line of credit, both of which may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need. The Organization forecasts its future cash flows and monitors liquidity on a monthly basis.

3. Grants and Allocations Receivable

A summary of grants and allocations receivable as of June 30, 2019, is as follows:

Palm Beach County	$ 432,713
Learning Coalition of Palm Beach County	10,000
Housing and Urban Development (HUD)	91,992
United Way	215,977
Homeless Coalition	74,610
Total grants and allocations receivable	$ 825,292

Management believes that grants and allocation receivable are fully collectible in less than one year and, therefore, no discount or allowance for uncollectible receivables was considered necessary.

4. Contributions Receivable

Contributions are recognized in the period an unconditional promise to give is received. Contributions receivable are recorded at face value if due in less than one year, or at net realizable value, discounted as appropriate to reflect the estimated timing of receipt for contributions, if due more than one year after the date of receipt. As of June 30, 2019 all remaining balances are expected to be collected in less than one year. The allowance for uncollectible contributions receivable is determined based on management's estimate. The following is a summary of contributions receivable as of June 30, 2019:

Contributions receivable	$ 27,750
Allowance for uncollectible amounts	(5,000)
Net contributions receivable	$ 22,750

5. Property and Equipment

Details of the Organization's property and equipment as of June 30, 2019, are as follows:

Land	$ 1,029,646
Buildings	5,627,824
Building improvements	896,702
Equipment	51,474
Equipment under capital lease	123,669
Motor vehicles	167,190
Construction in progress	677,317
	8,573,822
Less accumulated depreciation	3,786,216
Net property and equipment	$ 4,787,606

Construction in progress consisted of costs related to the Organization's Third Avenue Homes project, which encompasses the construction of fourteen affordable townhomes and a community space on property owned by the Organization adjacent to the existing Lake Worth Family Resource Center campus. The project will also include a new program designed to assist families residing in the townhomes in becoming stable and self-sufficient. The focus of the program is education centric and the Organization will be partnering with the local elementary school with the goal of improving academic performance through the provision of stable and affordable housing. The Organization entered into a construction contract for this project of approximately $3,500,000, of which approximately $3,185,000 remained to be completed as of June 30, 2019.

6. Community Land Trust Program/Wiley Reynolds Apartments

The Organization operates a Community Land Trust (CLT) program that was established in order to make housing available to residents who cannot otherwise afford it while providing benefits to the local community. The land is held permanently by the Organization to ensure perpetual affordability; however, the homes are owned by those who live in them. When the Organization sells a home, it leases the underlying land to the homeowners through a long-term (i.e., 99-year) renewable lease, and retains a right of first refusal to buy back the building.

The program includes a single-family residence on 505 North K Street, a nine-unit apartment complex named Wiley Reynolds Apartments located at 1736 2nd Ave North, and a lot on 1715 3rd Ave North currently under construction for the Third Ave Homes project.

The net assets without donor restrictions designated for the CLT as of June 30, 2019, consisted of the following:

Land	$ 296,669
Building	1,972,866
	2,269,535
Less accumulated depreciation	750,232
Total designated for CLT	$ 1,519,303

7. Neighborhood Stabilization Program 2 (NSP2)

The Organization, in partnership with the Lake Worth Community Redevelopment Agency (CRA), was one of only 56 awardees of the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program 2 (NSP2) national grant competition.

From 2010 through 2014, the Organization purchased and rehabilitated forty-one units of affordable housing. Since the award, a total of seventeen units were sold by the Organization to income-qualified households and twenty-four units were retained by the Organization and are currently being used as rentals for low-income families. In accordance with NSP2 guidelines, the units sold are deed restricted, protecting their affordability for a minimum of 15 years from the date of purchase. The rental units are also deed restricted, protecting their affordability, for 20 years from the date of completion of construction.

The net assets without donor restrictions under the NSP2 program as of June 30, 2019, consisted of the following:

Rental properties (24 units)	$ 1,976,937
Less accumulated depreciation	447,009
Rental properties, net	$ 1,529,928

Rental properties owned under the NSP2 program are included in the Consolidated Statement of Financial Position under the caption of property and equipment.

8. Line of Credit

The Organization has a $350,000 line of credit with Iberia-Bank (Bank) that is collateralized by land, buildings, and improvements at 1712 2nd Avenue and 1717 3rd Avenue North. Interest is paid monthly at the Bank's prime rate, which was 5.25% as of June 30, 2019. There was no amount outstanding under the line of credit as of June 30, 2019.

9. Loan Payable

The following is a schedule of the Organization's loan payable:

Mortgage note payable to PNC Bank that is collateralized by land, buildings, and improvements at 1712 2nd Avenue, with interest rate adjusted annually, 6.08% as of June 30, 2019. The note requires monthly payments of principal and interest until June 30, 2028.	$ 145,852
Less current portion	11,084
Long-term portion	$ 134,768

9. Loan Payable, continued

The approximate future maturities of this installment obligation are as follows:

Year	Amount
2020	$ 12,497
2021	13,244
2022	14,054
2023	14,914
2024	15,826
Thereafter	75,317
	$ 145,852

10. Capital Lease

The Organization leases certain equipment under capital leases that expire at various dates through March 2024. The assets and liabilities under the capital lease were recorded at the lower of the present value of minimum lease payments or the fair value of the assets. The assets are amortized over the lower of their lease terms or their estimated useful lives. Amortization of equipment under capital lease is included in depreciation expense in the accompanying consolidated financial statements. Depreciation of assets under capital leases charged to expense during the year ended June 30, 2019 was $24,602.

Minimum future lease payments under capital lease as of June 30, 2019 for each of the next five years and in the aggregate are:

Year	Amount
2020	$ 23,557
2021	23,615
2022	21,920
2023	19,547
2024	14,547
Total obligation under capital lease	103,186
Less current portion	23,557
Long-term portion	$ 79,629

11. Net Assets with Donor Restrictions

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

Homeless Resource Center	$ 14,762
Housing Stabilization Program	195,296
Project Grow	88,972
Service Enriched Housing	45,500
Program Reach	107,279
Capital projects	2,820,379
Total net assets with donor restrictions	$ 3,272,188

12. Special Events

The Organization participated in several special events during the year. Special event revenues and expenses for the year ended June 30, 2019 were as follows:

	Revenues	Direct Expenses	Net
Tree Lighting	$ 554,295	$ 69,629	$ 484,666
Golf Tournament	137,654	37,846	99,808
Others	67,862	36,411	31,451
Total	$ 759,811	$ 143,886	$ 615,925

13. Employee Benefit Plan

The Organization sponsors a Safe Harbor contribution plan pursuant to Section 401(k) of the Internal Revenue Code. All employees are eligible to participate upon hire. Under the plan, employees may contribute a specified percentage of their salary or a fixed dollar amount to the plan. The Organization contributes a Safe Harbor contribution of 3% of eligible compensation to the plan once the employee had completed one year of service. The Organization's contribution to the plan for the year ended June 30, 2019 was $74,632.

14. Concentrations

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of June 30, 2019, there was approximately $4,117,000 of uninsured deposits held in bank. The Organization has not experienced any losses on such accounts and management believes the Organization is not exposed to any significant credit risk arising from such balances.

15. Subsequent Events

Management has evaluated subsequent events through October 25, 2019, the date on which the consolidated financial statements were available to be issued, and determined that there were no further disclosures required to be presented 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
Adopt-A-Family
of the Palm Beaches, Inc.
Lake Worth, 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 Adopt-A-Family of the Palm Beaches, Inc., which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, cash flows, and functional expenses for the year ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Adopt-A-Family of the Palm Beaches, 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Adopt-A-Family of the Palm Beaches, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Adopt-A-Family of the Palm Beaches, 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 those limitations, during an 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 Adopt-A-Family of the Palm Beaches, Inc.'s consolidated 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 in the effectives of Adopt-A-Family of the Palm Beaches, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Adopt-A-Family of the Palm Beaches, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies, and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

Holyfield & Thomas, LLC

West Palm Beach, Florida
October 25, 2019

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Adopt-A-Family
of the Palm Beaches, Inc.
Lake Worth, Florida

Report on Compliance for Each Major Federal Program

We have audited Adopt-A-Family of the Palm Beaches, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Adopt-A-Family of the Palm Beaches, Inc.'s major federal programs for the year ended June 30, 2019. Adopt-A-Family of the Palm Beaches, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Adopt-A-Family of the Palm Beaches, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Adopt-A-Family of the Palm Beaches, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Adopt-A-Family of the Palm Beaches, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Adopt-A-Family of the Palm Beaches, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Adopt-A-Family of the Palm Beaches, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Adopt-A-Family of the Palm Beaches, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Adopt-A-Family of the Palm Beaches, Inc.'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
October 25, 2019

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Consolidated Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to consolidated financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance on major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Major programs:	
CFDA Number(s)	14.267
Name of Federal Program or Cluster:	U.S. Department of Housing and Urban Development - Continuum of Care Program
Dollar Threshold used to distinguish between type A and type B programs:	$ 750,000
Auditee qualified as a low-risk auditee?	Yes

SECTION II – CONSOLIDATED FINANCIAL STATEMENT FINDINGS

There are no findings or questioned costs reported for the year ended June 30, 2019, relative to financial reporting for Adopt-A-Family of the Palm Beaches, Inc.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs reported for the year ended June 30, 2019, relative to federal awards for Adopt-A-Family of the Palm Beaches, Inc.

CORRECTIVE ACTION PLAN

There is no corrective action plan required, as there are no findings or question costs reported for the year ended June 30, 2019.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior audit findings or questioned costs for the year ended June 30, 2018, relative to federal awards requiring action on the part of the auditee for that fiscal year.

SUPPLEMENTARY INFORMATION

Federal Grantor/Pass-Through Grantor Program or Cluster Title	CFDA Number / Award Number	Federal Expenditures
U.S. Department of Housing and Urban Development - Office of Community Planning and Development		
Continuum of Care Program:	14.267 /	
Project SAFE II	FL0288L4D051710	$ 187,596
Project SAFE II	FL0288L4D051811	63,833
Bridges to Success	FL0275L4D051608	30,609
Bridges to Success	FL0275L4D051709	199,855
Connecting Youth to Opportunity	FL0664L4D051600	6,942
Connecting Youth to Opportunity	FL0664L4D051701	249,101
Passed through from Palm Beach County Housing and Community Development:		
Emergency Solutions Grants Program:	14.231 /	
Emergency Solutions Grant	R2017-1545	11,522
Emergency Solutions Grant	R2018-1336	164,627
Total federal expenditures		$ 914,085

*See independent auditor's report and accompanying notes to
Schedule of Expenditures of Federal Awards.*

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Adopt-A-Family of the Palm Beaches, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

For the Year Ended June 30, 2019

	Operations	Capital Project	Totals
Revenues:			
Governmental grants	$ 3,567,599	$ -	$ 3,567,599
United Way allocations	506,261	-	506,261
Contributions	1,423,971	919,046	2,343,017
In-kind donations	42,710	-	42,710
Special events	759,811	-	759,811
Rents	479,410	-	479,410
GROW tuition	8,113	-	8,113
Other income	15,260	32,804	48,064
Total revenues	6,803,135	951,850	7,754,985
Expenses:			
Salaries	2,823,665	38,523	2,862,188
Employee benefits	598,853	9,845	608,698
Payroll taxes	204,758	2,662	207,420
	3,627,276	51,030	3,678,306
Advertising and recruitment	5,073	-	5,073
Building maintenance	227,169	5,477	232,646
Direct fundraising costs	126,123	17,763	143,886
Equipment rental and purchases	2,621	-	2,621
Insurance expense	198,630	6,459	205,089
Interest expense	10,151	-	10,151
Membership dues	22,043	139	22,182
Office supplies	75,108	1,985	77,093
Other expenses	14,402	19	14,421
Postage	4,100	32	4,132
Printing	8,737	53	8,790
Professional fees	182,720	19,854	202,574
Property and sales tax	25,860	2,077	27,937
Rent	10,850	-	10,850
Specific assistance	1,935,312	-	1,935,312
Telephone	31,048	-	31,048
Training and development	39,077	444	39,521
Travel and transportation	27,810	25	27,835
Utilities	33,400	22	33,422
	6,607,510	105,379	6,712,889
Depreciation	347,472	-	347,472
Total expenses	6,954,982	105,379	7,060,361
Excess of revenues over expenses	$ (151,847)	$ 846,471	$ 694,624

See independent auditor's report.

For the Year Ended June 30, 2019

	Bridges to Success	Project GROW	Homeless Resource Center	Housing Stabilization Program
Salaries	$ 3,622	$ 324,088	$ 895,139	$ 288,158
Employee benefit	109	77,134	212,195	63,894
Payroll taxes	269	24,240	66,403	20,931
	4,000	425,462	1,173,737	372,983
Advertising and recruitment	-	2,454	1,007	501
Building maintenance	-	23,076	508	924
Equipment rental and purchases	-	-	-	-
Insurance expense	-	18,803	28,102	20,525
Membership dues	-	388	2,431	1,207
Office supplies	-	9,766	24,765	8,987
Other expenses	-	14	-	4
Postage	-	104	285	67
Printing	-	60	346	120
Professional fees	-	10,138	26,692	10,954
Property and sales tax	-	691	-	422
Rent	-	977	2,604	1,084
Specific assistance	227,221	31,997	1,120,780	389,152
Telephone	-	2,021	4,685	2,194
Training and development	-	2,155	8,599	2,064
Travel and transportation	-	1,460	13,438	1,797
Utilities	-	2,713	7,236	3,015
	231,221	532,279	2,415,215	816,000
Depreciation	-	27,731	-	10,066
Total expenses	$ 231,221	$ 560,010	$ 2,415,215	$ 826,066

See independent auditor's report.

NSP2	Project S.A.F.E.	Service Enriched Housing	CLT / Wiley Reynolds Apartments	Mental Health Wellness	Program REACH	Total Program Expenses
$ 68,442	$ 245,053	$ 108,123	$ 24,586	$ 57,362	$ 283,351	$ 2,297,924
16,525	60,497	17,696	5,459	4,387	39,042	496,938
5,062	17,984	7,836	1,850	4,331	21,564	170,470
90,029	323,534	133,655	31,895	66,080	343,957	2,965,332
29	622	37	11	87	4	4,752
43,893	44,481	37,991	23,369	185	11,566	185,993
-	-	-	-	-	-	-
26,115	19,354	10,262	3,444	3,995	14,052	144,652
2,163	4,954	3,497	940	131	246	15,957
1,271	8,562	1,408	510	1,272	2,189	58,730
2	5	48	-	-	24	97
37	90	27	9	22	34	675
27	114	35	13	29	482	1,226
6,744	17,612	9,776	3,262	2,191	14,142	101,511
10,112	5,755	5,995	1,556	84	-	24,615
434	977	543	217	217	1,302	8,355
18,544	76,019	49,558	10,356	53	11,632	1,935,312
944	9,077	2,004	441	439	4,007	25,812
500	2,242	2,423	166	764	1,243	20,156
146	2,843	2,707	129	556	2,408	25,484
1,206	4,159	2,903	603	603	3,982	26,420
202,196	520,400	262,869	76,921	76,708	411,270	5,545,079
68,222	88,414	40,863	77,277	1,710	8,399	322,682
$ 270,418	$ 608,814	$ 303,732	$ 154,198	$ 78,418	$ 419,669	$ 5,867,761

See independent auditor's report.