

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2025
(with comparable totals for 2024)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Children's Place at Home Safe, Inc.
Lake Worth, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Children's Place at Home Safe, Inc. (a nonprofit organization d/b/a HomeSafe), which comprise the statement of financial position as of June 30, 2025, 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 present fairly, in all material respects, the financial position of The Children's Place at Home Safe, Inc. as of June 30, 2025, 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 and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 The Children's Place at Home Safe, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 The Children's Place at Home Safe, 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 and *Government 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 and *Government 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 The Children's Place at Home Safe, 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 The Children's Place at Home Safe, 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, audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, Rules of the Auditor General, is 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 schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025, on our consideration of The Children's Place at Home Safe, 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 solely 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 The Children's Place at Home Safe, 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 Children's Place at Home Safe, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited The Children's Place at Home Safe, Inc.'s 2024 financial statements, and we expressed our unmodified audit opinion on those audited financial statements in our report dated December 20, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida

December 18, 2025

THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
STATEMENT OF FINANCIAL POSITION
As of June 30, 2025
(with comparable totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,453,373	\$ 581,499	\$ 2,034,872	\$ 4,485,398
Accounts receivable	797,418	-	797,418	1,036,755
Pledges receivable, current portion	1,886	979,770	981,656	1,317,309
Prepaid expenses	829,753	-	829,753	717,048
Total current assets	3,082,430	1,561,269	4,643,699	7,556,510
Pledges receivable, net	-	1,575,132	1,575,132	2,211,386
Deposits	29,178	-	29,178	34,049
Investments	1,270,439	5,508,712	6,779,151	4,837,936
Investment in deferred compensation plan	71,989	-	71,989	58,047
Beneficial interest in trusts	-	107,808	107,808	99,700
Property and equipment, net	21,409,596	-	21,409,596	19,511,158
Right-of-use assets:				
Operating leases, net	245,200	-	245,200	211,866
Finance lease, net	18,276	-	18,276	31,984
Total assets	<u>\$ 26,127,108</u>	<u>\$ 8,752,921</u>	<u>\$ 34,880,029</u>	<u>\$ 34,552,636</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 202,505	\$ -	\$ 202,505	\$ 140,595
Accrued expenses	511,538	-	511,538	464,037
Refundable advance	50,000	-	50,000	202,329
Note payable	728,728	-	728,728	649,299
Other liabilities	55,828	-	55,828	438,052
Lease obligations, current portion:				
Operating leases	57,768	-	57,768	67,470
Finance lease	14,469	-	14,469	13,294
Total current liabilities	1,620,836	-	1,620,836	1,975,076
Obligation under deferred compensation plan	71,989	-	71,989	58,047
Lease obligations:				
Operating leases	190,303	-	190,303	145,947
Finance lease	5,102	-	5,102	19,571
Total liabilities	1,888,230	-	1,888,230	2,198,641
Net assets	<u>24,238,878</u>	<u>\$ 8,752,921</u>	<u>32,991,799</u>	<u>32,353,995</u>
Total liabilities and net assets	<u>\$ 26,127,108</u>	<u>\$ 8,752,921</u>	<u>\$ 34,880,029</u>	<u>\$ 34,552,636</u>

See accompanying notes to financial statements.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025
(with comparable totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
Operating activities:				
Revenues and support:				
Program services	\$ 10,472,145	\$ -	\$ 10,472,145	\$ 11,298,347
Grants	389,832	675,851	1,065,683	1,025,836
Contributions	428,532	50,000	478,532	300,362
Special event revenue	1,029,651	-	1,029,651	750,281
Other income	28,076	-	28,076	52,845
Total revenues and support	12,348,236	725,851	13,074,087	13,427,671
Net assets released from restrictions	661,618	(661,618)	-	-
	13,009,854	64,233	13,074,087	13,427,671
Expenses:				
Program services	11,595,775	-	11,595,775	11,392,068
Supporting services:				
Management and general	1,146,026	-	1,146,026	1,023,664
Fundraising	1,145,843	-	1,145,843	1,011,882
Total expenses	13,887,644	-	13,887,644	13,427,614
Change in net assets from operations	(877,790)	64,233	(813,557)	57
Non-operating activities:				
Contributions	-	826,532	826,532	1,410,400
Investment income, net	123,431	102,993	226,424	324,617
Realized and change in unrealized gain	(15,649)	420,660	405,011	486,406
Change in value of beneficial interest in trusts	-	8,108	8,108	6,501
Loss on sale of assets	(14,714)	-	(14,714)	(146,809)
Total non-operating activity	93,068	1,358,293	1,451,361	2,081,115
Net assets released from restrictions	2,393,973	(2,393,973)	-	-
Change in net assets from non-operations	2,487,041	(1,035,680)	1,451,361	2,081,115
Change in net assets	1,609,251	(971,447)	637,804	2,081,172
Net assets, beginning	22,629,627	9,724,368	32,353,995	30,272,823
Net assets, end	\$ 24,238,878	\$ 8,752,921	\$ 32,991,799	\$ 32,353,995

See accompanying notes to financial statements.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025
(with comparable totals for 2024)

	2025	2024
Cash flows from operating activities:		
Cash received from program services	\$ 10,713,517	\$ 11,427,335
Cash received from grants	1,065,683	1,025,836
Cash received from contributions and special events	1,450,252	999,157
Cash paid to suppliers and employees	(13,583,170)	(12,007,582)
Cash paid on operating leases	(116,504)	(128,874)
Other income	28,076	52,845
Interest and dividends received	226,424	324,617
Interest paid	(2,174)	(2,055)
Net cash provided by (used in) operating activities	<u>(217,896)</u>	<u>1,691,279</u>
Cash flows from investing activities:		
Proceeds from sale of certificates of deposit	-	500,000
Proceeds from sale of investments	6,738,110	5,795,188
Purchase of investments	(8,274,314)	(3,482,643)
Proceeds from beneficial interest in trusts	-	28,214
Proceeds from sale of property and equipment	1,200	-
Purchase of property and equipment	<u>(2,561,980)</u>	<u>(3,180,835)</u>
Net cash used in investing activities	<u>(4,096,984)</u>	<u>(340,076)</u>
Cash flows from financing activities:		
Proceeds from contributions restricted for endowment	805,000	800,000
Proceeds from contributions restricted for capital campaign	993,219	1,727,110
Proceeds from note payable	728,728	649,299
Payment on note payable	(649,299)	(615,190)
Principal payments on finance lease obligation	<u>(13,294)</u>	<u>(8,257)</u>
Net cash provided by financing activities	<u>1,864,354</u>	<u>2,552,962</u>
Net change in cash and cash equivalents	<u>(2,450,526)</u>	<u>3,904,165</u>
Cash and cash equivalents, beginning	<u>4,485,398</u>	<u>581,233</u>
Cash and cash equivalents, end	<u>\$ 2,034,872</u>	<u>\$ 4,485,398</u>

See accompanying notes to financial statements.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025
(with comparable totals for 2024)

	2025	2024
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 637,804	\$ 2,081,172
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized and change in unrealized gain	(405,011)	(486,406)
Change in value of beneficial interest in trusts	(8,108)	(6,501)
Credit loss expense	18,243	25,866
Depreciation and amortization	661,336	575,993
Lease expense	99,807	121,903
Loss on sale of assets	14,714	146,809
Decrease (increase) in certain assets:		
Accounts receivable	241,372	127,986
Pledges receivable	(20,058)	48,018
Prepaid expenses	(112,705)	(54,168)
Deposits	4,871	284
Increase (decrease) in certain liabilities:		
Accounts payable	61,910	(6,204)
Accrued expenses	47,501	55,310
Refundable advance	(152,329)	202,329
Other liabilities	(382,224)	392,226
Operating lease obligations	(98,487)	(122,938)
Contributions restricted for endowment	(419,442)	(268,704)
Contributions restricted for capital campaign	(407,090)	(1,141,696)
Net cash provided by (used in) operating activities	<u>\$ (217,896)</u>	<u>\$ 1,691,279</u>

Supplemental cash flow information:

During 2025, HomeSafe incurred debt of approximately \$133,000 in the form of operating leases for the right-of-use of its office space (for programs) in Belle Glade and West Palm Beach.

See accompanying notes to financial statements.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025
(with comparable totals for 2024)

	Program Services						2025 Totals	2024 Totals
	SafetyNet	Healthy Beginnings	Specialized Therapeutic Group Homes	Independent Living Program	Total Program Services	Management and General		
Personnel expenses:								
Salaries and wages	\$ 209,861	\$ 2,831,308	\$ 3,516,767	\$ 58,675	\$ 6,616,611	\$ 442,624	\$ 560,749	\$ 7,619,984
Payroll taxes	16,194	218,443	267,187	4,453	506,277	36,473	41,113	583,863
Employee benefits	45,853	547,392	635,277	12,637	1,241,159	107,436	60,250	1,408,845
Total personnel expenses	271,908	3,597,143	4,419,231	75,765	8,364,047	586,533	662,112	9,612,692
Advertising	-	11,809	377	-	12,186	3,874	9,809	25,869
Appreciation	-	4,083	3,833	-	7,916	29,340	20,234	57,490
Credit loss expense	-	-	-	523	523	-	17,720	18,243
Due and subscriptions	4,103	10,316	47,246	4,596	66,261	37,997	15,653	119,911
Individual assistance	24,024	50,831	189,169	17,066	281,090	19,406	-	300,496
Insurance	12,672	188,891	375,670	3,327	580,560	63,083	16,158	659,801
Professional fees	27,508	107,473	230,352	2,174	367,507	188,850	162,223	718,580
Recruiting and retention	1,861	5,369	3,249	-	10,479	18,753	1,935	31,167
Rent	468	218,124	51,872	468	270,932	3,943	36,239	311,114
Repairs and maintenance	7,182	60,787	181,024	20,576	269,569	19,697	4,939	294,205
Service charges	-	2,174	10	-	2,184	64,141	11,843	78,168
Supplies	11,364	94,763	232,669	20,937	359,733	21,746	95,228	476,707
Travel and entertainment	12,524	69,798	30,236	1,539	114,097	5,483	74,697	194,277
Utilities	8,532	103,863	161,587	15,271	289,253	29,854	8,481	327,588
Depreciation and amortization	8,722	41,326	506,826	42,564	599,438	53,326	8,572	661,336
Total expenses	\$ 390,868	\$ 4,566,750	\$ 6,433,351	\$ 204,806	\$ 11,595,775	\$ 1,146,026	\$ 1,145,843	\$ 13,887,644
								\$ 13,427,614

See accompanying notes to financial statements.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies

Organization and Nature of Activities: Since 1979, The Children's Place at Home Safe, Inc. (d/b/a "HomeSafe") has been serving Palm Beach County and South Florida's most vulnerable citizens – victims of child abuse and domestic violence. HomeSafe offers comprehensive protection, prevention, and intervention programs to prepare children and families for safer, more productive lives. It is nationally accredited by the Council on Accreditation (COA) and certified by Nonprofits First, signifying compliance with standards of excellence in operations and management. Annually, HomeSafe serves more than 15,000 children and families. HomeSafe is the only agency in Palm Beach County offering a complete array of mental health services for victims of childhood trauma through Specialized Therapeutic Group Care via residential programs. HomeSafe is the exclusive entry agency (for newborns to age 5) for Healthy Beginnings, a program of the Children's Services Council of Palm Beach County.

Financial Statement Presentation: Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements*, HomeSafe reports information regarding its financial position and activities according to two classes of net assets described as follows:

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

Net Assets with Donor Restrictions: are those subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other event specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Basis of Accounting: The financial statements of HomeSafe 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash held in checking and money market accounts, and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents, other than those held as a part of HomeSafe's investment portfolio.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies, continued

Accounts Receivable: Accounts receivable consists of amounts due to HomeSafe under Medicaid, various state and local grants, United Way allocations, and other agencies.

HomeSafe's accounts receivable are due from high-credit-quality customers and are typically collected within 180 days. HomeSafe evaluates the collectability of its receivables in accordance with ASC 326, *Financial Instruments – Credit Losses*. The evaluation includes a review of historical loss experience, the aging of receivables, customer creditworthiness, and current and forecasted economic conditions.

Based on this assessment, HomeSafe has concluded that the risk of credit loss is insignificant, and no allowance for credit losses is necessary as of June 30, 2025. Historically, HomeSafe has not experienced significant write-offs and expects all outstanding receivables to be fully collected. HomeSafe continues to monitor credit risk and may adjust its estimates and recognition of credit losses in future periods if conditions change.

Unconditional Promises to Give: Pledges receivable in the accompanying statement of financial position consist of donors' unconditional promises to give that are recognized as revenue and as receivable in the period the promise is received. Pledges receivable that are expected to be collected in more than one year beyond the financial statement date are reported at fair value, which is determined using a discounted cash flow model based on the expected future cash flows of the pledges. The discount rate applied to the pledges was 7.50%, which is the prime rate as of June 30, 2025. As with the accounts receivable above, there is no allowance for uncollectible pledges receivable deemed necessary as of June 30, 2025.

Prepaid Expenses: Prepaid expenses represent costs incurred that benefit future periods. These costs include the following:

Prepaid insurance	\$ 755,805
Prepaid special events	64,700
Prepaid contracts and licenses	<u>9,248</u>
	<u><u>\$ 829,753</u></u>

Property and Equipment and Depreciation: Property and equipment are recorded at cost for financial reporting purposes and depreciated using the straight-line method over the following useful lives:

Buildings and leasehold improvements	25-30 years
Furniture and equipment	5-15 years
Vehicles	5 years
Donated property	5-39 years

Generally, all expenditures for land, buildings, and equipment in excess of \$2,500 are capitalized. Exceptions to this policy result from requirements under grant agreements to capitalize property and equipment expenditures below the \$2,500 threshold. Expenditures for maintenance, repairs, and minor renewals are charged to operations as incurred. Donated assets are recorded at their fair market value as contributions without donor restrictions, in the absence of donor-imposed restrictions, at the date of donation.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies, continued

Impairment of Long-Lived Assets: In accordance with the provision of FASB ASC 360-10, *Property, Plant, and Equipment*, HomeSafe reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

Investments: Investments are comprised of money market accounts, publicly traded mutual funds, certificates of deposit, common stocks, and corporate bonds. The funds are invested for long-term investment return. Under FASB ASC 958-320, *Investments - Debt and Equity Securities*, investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position, with the amount of unrealized gains or losses on investments not previously recognized shown in the statement of activities. Investment income includes interest and dividends of \$256,591, less investment fees of \$30,167.

Revenues and support: In accordance with FASB ASC 958-605, *Not-For-Profit Entities, Revenue Recognition*, contributions received are recorded as with or without donor restricted support depending on the existence and/or nature of any donor restrictions. Under the standard, contributions that are initially restricted as to time or use are required to be reported as support with donor restrictions and are later reclassified to net assets without donor restrictions upon expiration of the time or use restriction.

HomeSafe receives various grants from federal, local, and private agencies for program and supporting services. Grants on a cost reimbursement basis, including recoverable overhead, from governmental grants and other sources 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 increases in net assets with donor restriction. 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.

Contributions: All contributions are considered available for the general programs of HomeSafe, unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as an increase in net assets with donor restrictions.

Special Events: HomeSafe recognizes special event revenue at the time of the event. Direct expenses such as venue fees, supplies, advertising, and indirect expenses such as salaries, insurance, other expenses, associated with these events and general fundraising and development are reflected on a functional basis in the statements of activities and functional expenses.

Refundable Advance: HomeSafe occasionally receives advances to cover certain reimbursable program expenses. Pursuant to the agreement, funds received by HomeSafe which are not spent are subject to be returned to the funder. As of June 30, 2025, HomeSafe had \$50,000 in advances from a donor to cover certain project expenses for the period from July 1, 2025 through fiscal year end 2026.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies, continued

In-kind Contributions and Contributed Services: In-kind contributions are recognized as contributions in accordance with FASB ASC 958-605, *Revenue Recognition*, at their estimated fair value at date of donation. Non-monetary contributions are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. HomeSafe recognizes the fair value of contributed services received if such services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. In addition, HomeSafe receives services from a large number of volunteers who give significant amounts of their time to HomeSafe's programs, fundraising campaigns, and management; however, such services do not meet the criteria for financial statement recognition and are therefore not included herein. The total amount of in-kind contributions received during the year ended June 30, 2025, amounted to \$37,873. This amount is recognized as both support, under the caption of contributions in the statement of activities, and as professional fees in the statement of functional expenses. The value of the professional fees (legal) were determined using customary hourly billing rates and hours. Management believes this approach represents a reasonable estimate of the fair value based on observable market rates for comparable services.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and activities benefited.

Advertising Costs: Advertising costs are expensed as incurred. Total expense for the year ended June 30, 2025 was \$25,869, and consisted of advertising and marketing expenses.

Income Taxes: HomeSafe is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. Income determined to be unrelated business taxable income (UBTI) would be taxable. There was no UBTI for the year ended June 30, 2025.

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

Leases: HomeSafe recognizes right of use (ROU) asset and lease liability at the lease commencement date. The ROU asset is initially measured at cost, comprising the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs, and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or site.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies, continued

Leases:, continued

Subsequent to initial recognition, ROU assets are measured at cost less any accumulated amortization and any accumulated impairment losses. ROU assets are amortized on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease term includes non-cancellable periods and periods covered by an option to extend or terminate the lease if the lessee is reasonably certain to exercise or not to exercise that option.

Prior Year Summarized 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 HomeSafe's financial statements for the year ended June 30, 2024, from which the summarized information was derived. Certain 2024 amounts may have been reclassified to conform to 2025 classifications. Such reclassifications would have no effect on the change in net assets as previously reported.

2. Program Services

The following is a description of current HomeSafe programs:

SafetyNet Offers a full spectrum of services for victims of domestic violence, including year-round adult, teen, and child support groups, individual therapy, crisis intervention, preventive education, and court advocacy.

Healthy Beginnings Program screens, assesses and provides early intervention services to at-risk children from birth to age five throughout Palm Beach County. It ensures identified needs are addressed through referrals to appropriate providers in the county.

Specialized Therapeutic Group Homes Provides an intensive, community-based, licensed residential group home setting for children and adolescents, ages 8 through 17, who have a moderate to severe emotional trauma. The program includes an array of mental health services that provide trauma-sensitive, innovative treatment to effectively respond to the complex and acute psychiatric and behavior issues brought about by the physical, sexual, and emotional childhood trauma. Also integrated into programming is a comprehensive life skills component.

Independent Living Program (Pond Place) Provides safe, affordable housing for clients, ages 18-23, who have "aged out" of foster care. In return for an apartment, clients make a low monthly contribution. Clients must maintain their Post-secondary Education Services & Support (PESS) eligibility and follow the rules set by HomeSafe to stay in the program. A licensed clinical therapist works with clients on an individualized treatment plan.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

3. Concentration of Credit Risk and Uncertainties

HomeSafe uses several financial institutions to maintain its cash, which at times may exceed FDIC insured limits. HomeSafe has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on such cash. As of June 30, 2025, HomeSafe had approximately \$1,890,600 uninsured deposits held in banks. Balances at brokerage accounts are guaranteed by the Securities Investor Protection Corporation (SIPC) up to \$500,000, which includes a \$250,000 limit for cash. As of June 30, 2025, the security balances exceeded the SIPC insurance limit.

HomeSafe also holds investments in various accounts with financial and brokerage institutions. As of June 30, 2025, approximately 92% of HomeSafe's investments were held by one institution. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

4. Liquidity and Availability of Resources

Financial assets available for general expenditure within one year, that is, without donor or other restrictions limiting their use within one year of the statement of financial position comprise the following:

Cash and cash equivalents	\$ 1,453,373
Accounts receivable	797,418
Pledges receivable	<u>1,886</u>
Total financial assets available within one year	<u>\$ 2,252,677</u>

In addition to financial assets currently available to meet general expenditures over the next 12 months, HomeSafe anticipates collecting sufficient support and revenue from its contracts with various state and local agencies and from its historically consistent stream of contributions to cover general expenditures not covered by donor-restricted resources.

HomeSafe's endowment funds consist of donor-restricted contributions to be maintained in perpetuity and contributions restricted for the purpose of providing support to HomeSafe. The endowment is subject to annual appropriations determined at the discretion of the Board of Directors as described in Note 15.

Furthermore, management believes HomeSafe has sufficient financial assets, including \$1,270,439 in investments reserved for long-term purposes, plus a \$2,000,000 line of credit, which may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need (Note 11).

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

5. Fair Value Measurements

FASB ASC 820-10, *Fair Value Measurements and Disclosures*, requires assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that HomeSafe has the ability to access.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Inputs that are unobservable for the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value of Financial Instruments: The following methods and assumptions were used by HomeSafe in estimating fair value of financial instruments that are not disclosed under ASC 820.

Cash and cash equivalents – The carrying amount reported approximates fair value due to the short-term duration of the instrument.

Accounts receivable – The carrying amount approximates fair value due to the short-term of the receivables.

Accounts payable, accrued expenses, and other liabilities – The carrying amounts reported approximate fair value due to the short-term duration of the instruments.

Note payable – The carrying amount reported approximates fair value as the stated interest rate approximates market rates.

Obligation under deferred compensation plan – Valued at reported brokerage amounts.

Leases – The carrying amount reported approximates fair value as the leases are initially measured based on the present value of lease payments discounted at rates reflective of market rates at lease commencement.

Items Measured at Fair Value on a Recurring Basis: The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2025.

Investments:

Money market accounts – Valued at the reported brokerage amounts.

Mutual funds – Valued at the quoted market prices or net asset value (NAV) by the custodian as of the close of business at year ended June 30, 2025.

Equity, Commodities, Real Estate, and Fixed income securities – Valued at the quoted market prices by the custodian as of the close of business at year ended June 30, 2025.

Deferred compensation plan securities – Investments include assets held in connection with a deferred compensation plan. These assets consist primarily of mutual funds selected by participants. Value is based on quoted market prices by the custodians as of the close of business as of June 30, 2025.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

5. *Fair Value Measurements, continued*

Items Measured at Fair Value on a Recurring Basis:, continued

Pledges receivable – Valued at the present value of estimated future cash flows, which approximate fair value due to an imputed interest rate used that approximates market rates.

Beneficial Interest in Trusts – Valued at the present value of estimated future cash flows, using the life expectancy of the income beneficiary and discounted at a rate approximating current market rates.

The following table sets forth by level, within the fair value hierarchy, HomeSafe's assets measured at fair value on a recurring basis as of June 30, 2025:

	Assets at Fair Value as of June 30, 2025			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market accounts	\$ 293,151	\$ -	\$ -	\$ 293,151
Fixed income securities	1,204,661	-	-	1,204,661
Mutual funds	564,161	-	-	564,161
Commodities	119,762	-	-	119,762
Equity securities	4,167,016	-	-	4,167,016
Real estate securities	430,400	-	-	430,400
Deferred compensation				
Plan securities	<u>71,989</u>	<u>-</u>	<u>-</u>	<u>71,989</u>
	6,851,140	-	-	6,851,140
Pledges receivable	-	-	2,556,788	2,556,788
Beneficial interest in trusts	<u>-</u>	<u>-</u>	<u>107,808</u>	<u>107,808</u>
	<u><u>\$ 6,851,140</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,664,596</u></u>	<u><u>\$ 9,515,736</u></u>

The table below sets forth a summary of changes in the fair value of HomeSafe's Level 3 assets, for the year ended June 30, 2025.

	<u>Level 3 Assets as of June 30, 2025</u>		
	<u>Pledges Receivable</u>	<u>Beneficial Interest in Asset</u>	<u>Total</u>
Balance, beginning of year	\$ 3,528,695	\$ 99,700	\$ 3,628,395
Issuances	1,514,725	-	1,514,725
Settlements	(2,797,444)	-	(2,797,444)
Discount adjustment	310,812	-	310,812
Change in value	<u>-</u>	<u>8,108</u>	<u>8,108</u>
Balance, end of year	<u><u>\$ 2,556,788</u></u>	<u><u>\$ 107,808</u></u>	<u><u>\$ 2,664,596</u></u>

THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

5. Fair Value Measurements, continued

FASB ASC 820-10 requires disclosure of quantitative information about the unobservable inputs used to measure Level 3 assets and liabilities. The following table provides such information about these Level 3 instruments:

	<u>Fair Value</u>	<u>Valuation Techniques</u>	<u>Unobservable Inputs</u>
Pledges receivable	\$ 2,556,788	Discounted cash flows	Discount rate
Beneficial interest in assets	\$ 107,808	Third party valuation, Discounted cash flows	Life expectancy, Discount rate, Estimated growth

HomeSafe had no other financial instruments with recurring fair value measurements.

6. Accounts Receivable

Accounts receivable consist of the following as of June 30, 2025:

ChildNet, Inc.	\$ 129,623
Children's Services Council	377,548
Medicaid/Managed Care	66,408
State of Florida, Office of Attorney General	20,897
Other Community Based Care Agencies	<u>202,942</u>
Total accounts receivable	<u>\$ 797,418</u>

7. Pledges Receivable

Pledges receivable consist of the following as of June 30, 2025:

Receivable in less than one year	\$ 981,656
Receivable in one to five years	<u>2,020,000</u>
Total pledges receivable	3,001,656
Less present value discount	<u>444,868</u>
Pledges receivable, net	2,556,788
Less pledges receivable, current portion	<u>981,656</u>
Pledges receivable, non-current portion	<u>\$ 1,575,132</u>

8. Beneficial Interest in Trusts

HomeSafe has been named the remainder beneficiary of a charitable remainder trust. The charitable remainder trust provides for the periodic payment of distributions of trust assets to the grantor's beneficiary during their lifetime. Upon the death of the beneficiary, a percentage of the remaining principal in the trust will be distributed to HomeSafe.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

8. Beneficial Interest in Trusts, continued

HomeSafe reports the fair value of the beneficial interest in charitable remainder trusts in the statement of financial position at the expected future cash flows discounted at a rate of 7.50%. The expected future cash flow is based on the fair market value of the trusts' principal as of June 30, 2025, along with the life expectancy of the income beneficiary.

HomeSafe is also the income beneficiary of a perpetual trust, whose assets are held by the Community Foundation for Palm Beach and Martin Counties (the "Foundation") as an endowed component fund ("Fund"). Under the terms of the Fund, the Foundation's Board of Directors has a variance power to modify any restriction or condition on the distribution of funds for any specific charitable purpose or to specified organizations, if in their sole judgement (without the approval of any trustee, custodian, or agent), such restriction or conditions becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or the area served by the Foundation. The Fund is subject to the Foundation's investment and spending policies. During the year ended June 30, 2025, HomeSafe did not receive any distributions from the Fund.

HomeSafe reports the fair value of the beneficial interest in the Fund in the statement of financial position at the discounted amount reported to HomeSafe by the Foundation. Changes in the value of beneficial interest in trusts have been reported in the statement of activities as increases (decreases) in net assets with donor restrictions.

9. Property and Equipment

Property and equipment consist of the following as of June 30, 2025:

Land	\$ 2,501,955
Buildings and leasehold improvements	20,463,396
Furniture and equipment	1,843,285
Vehicles	274,595
Donated property	<u>98,060</u>
	25,181,291
Less accumulated depreciation	<u>3,771,695</u>
Property and equipment, net	<u><u>\$ 21,409,596</u></u>

HomeSafe leased land in Lake Worth from Palm Beach County for \$1 a year under a lease that expired in January 2025. Buildings were constructed on this land in prior years. Upon termination of the lease, HomeSafe would be required to remove all personal property, removable fixtures, and equipment from the premises and surrender the premises to the County. HomeSafe is currently negotiating the renewal of the lease and does not anticipate any interruption in its use of the property or removal of assets. Buildings and improvements for this property total \$1,529,855. Accumulated depreciation on these buildings and improvements was \$1,168,546 as of June 30, 2025.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

10. Leases

Operating Leases

HomeSafe conducts its operations from facilities throughout Palm Beach County that are leased under non-cancellable operating leases expiring at various dates through 2029. The leases require various minimum monthly rental payments, plus proportional common area maintenance costs on certain leases. HomeSafe has elected a package or practical expedients whereby non-lease components are not separated from the lease component and proportional common area maintenance costs are included in the lease component. Total operating lease expense was \$117,824 and is included the statement of functional expense with rent.

Operating right-of-use assets as of June 30, 2025, consisted of the following:

Office space	\$ 372,407
Less accumulated amortization	<u>127,207</u>
Total operating right-of-use assets	<u><u>\$ 245,200</u></u>

Operating lease obligations as of June 30, 2025, consisted of the following:

Office space	\$ 248,071
Less current portion	<u>57,768</u>
Non-current portion	<u><u>\$ 190,303</u></u>

Operating lease expense for the year ended June 30, 2025, consisted of the following:

	Amortization	Charges	Total
Office space	<u>\$ 99,807</u>	<u>\$ 18,015</u>	<u><u>\$ 117,824</u></u>

The lease discount for the office space locations has been calculated using interest rates ranging from 6.25% to 8.50%, which approximates the incremental borrowing rate of HomeSafe at the time the leases were signed.

The weighted average lease term for the operating leases is 3.29 years. The weighted average discount rate for the operating lease is 8.27%.

Undiscounted future lease payments under operating leases as of June 30, 2025, are as follows:

Period Ended <u>June 30,</u>	Finance
2026	\$ 94,297
2027	88,790
2028	50,008
2029	40,313
2030	<u>10,152</u>
	<u>283,560</u>
Less discount to present value	<u><u>35,489</u></u>
Present value of future lease payments	<u><u>248,071</u></u>
Less current portion	<u><u>57,768</u></u>
Non-current portion	<u><u>\$ 190,303</u></u>

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

10. Leases, continued

Finance Lease

HomeSafe leases office equipment under a finance lease agreement that has a maturity date through October 2026. The asset and liability under the finance lease are recorded at the lower of the present value of minimum lease payments or the fair value of the asset. The asset is amortized over its estimated useful life on the straight-line basis. Amortization of the equipment under the finance lease is reported as amortization in the statement of functional expenses. Total interest expense was \$2,174 and is included in the statement of functional expenses with service charges.

Finance right-of-use assets as of June 30, 2025, consisted of the following:

Office equipment	\$ 41,122
Less accumulated amortization	<u>22,846</u>
Total operating right-of-use assets	<u>\$ 18,276</u>

Finance lease obligations as of June 30, 2025, consisted of the following:

Office equipment	\$ 19,571
Less current portion	<u>14,469</u>
Non-current portion	<u>\$ 5,102</u>

The weighted average lease term for the finance lease is 1.33 years. The weighted average discount rate for the financing lease is 8.50%.

Undiscounted future lease payments under finance leases as of June 30, 2025, are as follows:

Period Ended <u>June 30,</u>	
2026	\$ 15,468
2027	<u>5,156</u>
	20,624
Less discount to present value	<u>1,053</u>
Present value of future lease payments	19,571
Less current portion	<u>14,469</u>
Non-current portion	<u>\$ 5,102</u>

11. Line of Credit

HomeSafe has a \$2,000,000 secured line of credit extended by a local bank. The line of credit is secured by a mortgage on HomeSafe's property located in Palm Beach County, Florida and is due and payable on June 17, 2029. The line of credit carried interest on the unpaid principal balance at the bank's prime loan rate, or 7.50% as of June 30, 2025. There was no outstanding balance on the line of credit as of June 30, 2025.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

12. Note Payable

Note payable as of June 30, 2025 consists of a note due to an insurance premium finance company requiring monthly payments of principal and interest. The note is unsecured and requires 11 monthly installments of \$66,248, including principal and interest at a rate of 7.20%. The note matures on May 31, 2026.

13. Contingencies

HomeSafe is currently receiving, and has received in the past, grants, Medicaid, and other third-party reimbursement funds, which are subject to special compliance audits by the grantor and other agencies that provided these reimbursements. These audits may result in disallowed expense amounts.

Disallowed amounts, if any, constitute a contingent liability of HomeSafe. HomeSafe believes any contingent liabilities that may exist are not material, and, therefore, are not reflected in the financial statements.

From time to time, HomeSafe may be involved in legal actions arising in the ordinary course of its operations. Management believes that the outcome of such matters, individually or in the aggregate, will not have a material adverse effect on HomeSafe's financial position, activities, or cash flows. HomeSafe maintains insurance coverage that management believes is adequate to protect its assets and operations from potential claims and liabilities.

14. Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2025, were as follows:

Subject to expenditures for a specific purpose:

HomeSafe programs	\$ 285,884
Capital campaign	<u>195,615</u>
Total purpose restricted	<u>481,449</u>

Pledges receivable for a specific time then purpose:

Pledges receivable (Programs)	15,500
Pledges receivable (Capital campaign)	331,577
Pledges receivable (Endowment)	2,207,825

Subject to the passage of time:

Beneficial interest in trusts	57,808
Total time restricted	<u>2,612,710</u>

Subject to endowment spending policy and appropriation:

Expressive Arts Endowment	489,807
HomeSafe Endowment – Operations Endowment	160,717
Jim Moran Endowment (Pond Place)	250,924
Sylvester Foundation fbo HomeSafe, Inc. – Program Endowment	176,650
Sylvester Foundation fbo HomeSafe, Inc. – Plant, Property & Equipment Endowment	<u>175,614</u>
Total endowed restricted	<u>1,253,712</u>

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

14. Net Assets with Donor Restrictions, continued

Perpetual in nature:

HomeSafe Endowment – Operations Endowment	\$ 1,755,000
Sylvester Foundation fbo HomeSafe, Inc. – Program Endowment	1,300,000
Sylvester Foundation fbo HomeSafe, Inc. – Plant, Property & Equipment Endowment	1,300,000
Beneficial interest in trust	<u>50,000</u>
Total perpetual restricted	<u>4,405,000</u>
Total net assets with donor restrictions	<u><u>\$ 8,752,921</u></u>

15. Endowments

HomeSafe's endowments consist of several individual funds established for a variety of purposes. The endowments are donor-restricted to be held for a specific purpose or in perpetuity and earnings on the endowments are restricted based on the donors' intent. FASB ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and Board-designated endowment funds), whether or not the organization is subject to UPMIFA.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), which became effective July 1, 2012, and provides a) consistent investment and spending standards to all forms of charitable funds, b) strengthens the concept of prudent investing, c) abandons historic dollar value as a floor for expenditures and provides more flexibility to the organization in making decisions about whether to expend any portion of an endowment fund, and d) provides a process for the release or modification of restrictions on a gift instrument. The adoption by HomeSafe of the provisions of the new law did not have a significant change in its management and investment policies of endowments.

As a result of this standard, HomeSafe classifies as net assets restricted in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

HomeSafe has adopted conservative investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments, while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, HomeSafe relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). HomeSafe utilizes the services of a financial advisor who provides input into the investment strategy policy.

HomeSafe's annual appropriations are determined at the discretion of the Board of Directors unless specific instructions are provided by the endowment donors.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

15. Endowments, continued

The changes in endowment net assets for the year ended June 30, 2025 are as follows:

Endowment net assets, beginning	\$ 4,404,353
Investment return:	
Investment income	113,410
Investment expenses	(29,834)
Realized and change in unrealized gains	401,198
Contributions	805,000
Appropriation for expenditure	<u>(85,415)</u>
Endowment net assets, ending	<u>\$ 5,608,712</u>

Endowment net assets by type of fund as of June 30, 2025, consisted of the following:

Investments	\$ 5,508,712
Outstanding transfers	<u>100,000</u>
Total	<u>\$ 5,608,712</u>

16. Retirement Plan

Eligible employees of HomeSafe may participate in an Internal Revenue Code 403(b) retirement savings plan. In addition to employee deferrals, the plan also allows for HomeSafe to make discretionary matching contributions to eligible participants. HomeSafe contributed \$329,020 to this plan during the year ended June 30, 2025, which is included in employee benefits in the statement of functional expenses.

HomeSafe offers certain executive employees selected by the Board of Directors a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan permits the Board of Directors to approve discretionary contributions for selected executives and to defer such amounts on their behalf under the plan. For the year ended June 30, 2025 the Board of Directors did not approve any discretionary contributions for this plan.

In addition, covered employees may defer additional amounts through salary reduction agreements into the 457(b) plan. Both HomeSafe contributions and covered employee contributions are subject to statutory limits. All deferred compensation under this plan is not available to covered employees until: a) reach the age of 60; b) termination; c) death; or d) an unforeseeable emergency. All amounts of compensation deferred under the plan, all property, and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the covered employee or other beneficiary) solely the property and rights of the HomeSafe, subject to the claims of the HomeSafe's creditors.

17. Related Party Transaction

HomeSafe contracted with a construction company of which a HomeSafe Board Member is the President. Capital construction payments made by HomeSafe in connection with this arrangement totaled approximately \$2,354,000 for the year ended June 30, 2025.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

17. Related Party Transaction, continued

HomeSafe contracted with a law firm of which a HomeSafe Board Member is a Partner. Legal fee payments made by HomeSafe in connection with this arrangement totaled approximately \$58,000 for the year ended June 30, 2025.

These related party transactions incorporate the usual and customary terms offered by other vendors for such costs, is periodically analyzed for reasonableness, and is undertaken with approval and consent of HomeSafe's Board of Directors.

18. Subsequent Events

HomeSafe has evaluated subsequent events through December 18, 2025, which is the date 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

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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
The Children's Place at Home Safe, 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 financial statements of The Children's Place at Home Safe, Inc. (d/b/a "HomeSafe") which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Children's Place at Home Safe, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Children's Place at Home Safe, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Children's Place at Home Safe, 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Children's Place at Home Safe, 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 financial statements. 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 effectiveness of The Children's Place at Home Safe, 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 The Children's Place at Home Safe, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
December 18, 2025

Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors of
The Children's Place at Home Safe, Inc.
Lake Worth, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited The Children's Place at Home Safe, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of The Children's Place at Home Safe, Inc.'s major state projects for the year ended June 30, 2025. The Children's Place at Home Safe, Inc.'s major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Children's Place at Home Safe, 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 state projects for the year ended June 30, 2025.

Basis for Opinion on Each Major State Project

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 Chapter 10.650, *Rules of the Auditor General* (Rules of the Auditor General). Our responsibilities under those standards, and the Rules of the Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Children's Place at Home Safe, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state project. Our audit does not provide a legal determination of The Children's Place at Home Safe, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Children's Place at Home Safe, Inc.'s major state projects.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Children's Place at Home Safe, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about The Children's Place at Home Safe, Inc.'s compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Children's Place at Home Safe, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Children's Place at Home Safe, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of The Children's Place at Home Safe, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 major state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 major state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major state project 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
December 18, 2025

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2025

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

State Financial Assistance:

Internal control over major state projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance on major state projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, <i>Rules of the Auditor General?</i>	No

Identification of major state projects:

Major state projects:	Department of Children and Families
State CFSA Number	60.074
Name of State Project:	Out-of-Home Supports
Dollar Threshold used to distinguish between type A and type B projects:	\$ 750,000

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings reported for the year ended June 30, 2025.

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs for the year ended June 30, 2025.

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, 2025.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior audit findings or questioned costs for the year ended June 30, 2024, relative to state financial assistance requiring action on the part of the auditee for that fiscal year.

SUPPLEMENTARY INFORMATION

THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2025

State Grantor Pass-through Grantor Program or Project Title	CFSA Number	Award Number	Total Expenditures
Department of Children and Families			
Pass-through Central Family Cares: Out-of-Homes Support	60.074	MH071	\$ 56,779
Pass-through ChildNet – Broward County: Out-of-Homes Support	60.074		490,736
Pass-through ChildNet – Palm Beach County: Out-of-Homes Support	60.074		63,482
Pass-through Children's Network of Hillsborough: Out-of-Homes Support	60.074	RGC 100112815, 100015943	43,278
Pass-through Children's Services Council: Out-of-Homes Support	60.074	609	306,898
Pass-through Citrus Family Care Network: Out-of-Homes Support	60.074	9148-035	312,673
Pass-through Family Partnerships of Central Florida: Out-of-Homes Support	60.074	OHC2417	476,349
Pass-through Family Support Services of North Florida: Out-of-Homes Support	60.074	RA 025 TCPHS	100,398
Pass-through Family Support Services Suncoast: Out-of-Homes Support	60.074	FFPSM/LCNSI	116,894
Pass-through Kids Central: Out-of-Homes Support	60.074	R2324-RGC-O164	366,480
Pass-through Partnering for Strong Families: Out-of-Homes Support	60.074		<u>20,620</u>
Total Department of Children and Families			<u>2,354,587</u>
Total expenditures of state financial assistance			<u>\$ 2,354,587</u>

*See independent auditor's report and accompanying notes to
schedule of expenditures of state financial assistance.*

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
d/b/a HOMESAFE
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

For the Year Ended June 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes the state financial assistance activity of The Children's Place at Home Safe, Inc. under projects of the state government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents on a selected portion of the operations of The Children's Place at Home Safe, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Children's Place at Home Safe, Inc.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, as applicable.

3. Contingency

The grants and contracts revenue received are subject to audits and adjustments. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of The Children's Place at Home Safe, Inc. In the opinion of management, all grant and contract expenditures are in compliance with the terms of the grant/contract agreements and applicable state laws and other applicable regulations.