

ELIZABETH H. FAULK FOUNDATION, INC.

Financial Statements

June 30, 2024

Robbins and Moroney, P.A.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Elizabeth H. Faulk Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Elizabeth H. Faulk Foundation, Inc., (a nonprofit organization), which comprise the statement of financial position as June 30, 2024, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Elizabeth H. Faulk Foundation, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (continued)

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Elizabeth H. Faulk Foundations, 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 Elizabeth H. Faulk Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

ROBBINS and MORONEY, P.A.

Certified Public Accountants

Robbins and Moroney, P.A.

Fort Lauderdale, Florida

November 7, 2024

ELIZABETH H. FAULK FOUNDATION, INC.
Statement of Financial Position
June 30, 2024

Assets

Cash and Cash Equivalents	\$ 139,794
Prepaid Expenses	93,613
Property and Equipment	<u>1,108,489</u>
Total Assets	<u><u>\$ 1,341,896</u></u>

Liabilities

Accounts Payable	\$ 10,845
Accrued Expenses	<u>106,871</u>
Total Liabilities	<u>117,716</u>

Net Assets

Without Donor Restrictions	928,437
With Donor Restrictions	<u>295,743</u>
Total Net Assets	<u>1,224,180</u>
Total Liabilities and Net Assets	<u><u>\$ 1,341,896</u></u>

The accompanying notes are an integral part of these financial statements.

ELIZABETH H. FAULK FOUNDATION, INC.

Statement of Activities
For the Year Ended June 30, 2024

Net Assets Without Donor Restrictions**Public Support and Revenues****Public Support**

Contributions	\$ 128,742
Grants	983,479
Net Assets Released from Restrictions	167,500
Contributed Services	230,753
Total Public Support and Revenues	<u>1,510,474</u>

Revenues

Client Fees	349,902
Fees for Service	573,853
Investment Income	1,035
Total Revenues	<u>924,790</u>

Total Public Support and Revenues**2,435,264****Expenses****Program Services**

Adult	427,742
Children, Adolescents and Family	311,137
School Preventive	225,393
Senior Services	235,608
Co-Located Mental Health	460,926
Psychological Testing	69,402
Education	173,389
Total Program Services	<u>1,903,597</u>

Supporting Services

General and Administrative	151,336
Fundraising	90,118
Total Supporting Services	<u>241,454</u>

Total Expenses**2,145,051****Change in Net Assets Without Donor Restrictions****290,213****Net Assets With Donor Restrictions**

Grants	119,000
Net Assets Released from Restrictions	(167,500)
Change in Net Assets With Donor Restrictions	<u>(48,500)</u>

Change in Net Assets**241,713****Net Assets, Beginning of Year****982,467****Net Assets, End of Year****\$ 1,224,180**

The accompanying notes are an integral part of these financial statements.

ELIZABETH H. FAULK FOUNDATION, INC.

Statement of Cash Flows
For the Year Ended June 30, 2024

Cash Flows from Operating Activities

Change in Net Assets	\$ 241,713
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:	
Depreciation	23,474
Changes in Assets and Liabilities:	
Decrease in Accounts Receivables	92,083
Increase in Prepaid Expenses	(12,132)
Decrease in Accounts Payable	(2,170)
Increase in Accrued Expenses	45,122

Net Cash Flows from Operating Activities 388,090

Cash Flows from Investing Activities

Proceeds from Investment	13,514
Purchase of Property and Equipment	<u>(358,480)</u>

Net Cash Flows from Investing Activities (344,966)

Net Change in Cash and Cash Equivalents 43,124

Cash and Cash Equivalents, Beginning of Year 96,670

Cash and Cash Equivalents, End of Year \$ 139,794

The accompanying notes are an integral part of these financial statements.

ELIZABETH H. FAULK FOUNDATION, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services				Supporting Services			
	Children, Adolescents and Family	School Preventive	Senior Services	Co-Located Mental Health	Psychological Testing	Education	General and Administrative	Fundraising
Adult								
\$	208,783	\$ 151,802	\$ 97,993	\$ 32,898	\$ 44,759	\$ 123,873	\$ 46,134	\$ 43,974
Salaries	87,086	23,075	86,216	0	0	2,608	5,216	3,477
Group Leaders/Facilitators	7,586	5,761	4,314	1,410	1,235	6,075	3,256	2,861
Employee Benefits	24,115	24,115	9,646	0	9,646	4,823	0	0
Stipend	15,065	19,370	1,076	1,076	2,690	2,690	5,381	1,076
Insurance	12,091	9,171	6,855	2,257	1,976	9,672	5,213	4,580
Payroll Taxes	6,574	8,451	469	469	1,174	1,174	2,347	469
Depreciation	7,187	9,239	513	513	1,283	1,283	2,567	513
Utilities	2,025	2,025	2,025	0	0	2,025	1,348	2,025
Community Outreach	31,909	41,026	2,279	2,279	5,698	5,698	11,396	2,279
Repairs & Maintenance	3,528	2,677	2,001	659	577	2,823	1,521	1,337
Retirement	14,873	7,014	14,688	0	0	4,388	24,727	5,539
Supplies	(91)	(117)	(6)	(6)	(16)	(16)	(32)	(6)
Telephone	0	0	0	0	0	0	7,849	0
Bank & Credit Card Charges	1,517	1,517	1,517	0	0	1,517	1,011	1,517
Advertising	94	93	93	0	0	93	325	139
Postage	60	60	60	0	0	60	0	0
Conference/Workshops	0	0	1,832	0	0	0	916	0
Travel	1,024	1,024	1,024	0	0	1,024	3,583	1,536
Printing	1,977	2,190	827	316	380	1,240	1,550	575
Miscellaneous	0	0	0	0	0	0	0	18,227
Fundraising Events	229	534	76	419,055	0	229	25,166	0
Professional Fees	2,110	2,110	2,110	0	0	2,110	1,862	0
Dues & Subscriptions								
Total	\$ 427,742	\$ 311,137	\$ 235,608	\$ 460,926	\$ 69,402	\$ 173,389	\$ 151,336	\$ 90,118
								\$ 2,145,051

Robbins and Moroney, P.A.
Certified Public Accountants

The accompanying notes are an integral part of these financial statements.

ELIZABETH H. FAULK FOUNDATION, INC.

Notes to Financial Statements

June 30, 2024

1. FOUNDATION AND PROGRAM SERVICES

Foundation: The Elizabeth H. Faulk Foundation, Inc. (the "Foundation") is a nonprofit corporation organized to promote emotional well-being through a variety of free and low-cost mental health programs. The Foundation's services are provided through the Faulk Center for Counseling. The Faulk Center for Counseling's primary model of care utilizes doctoral (Ph.D. & Psy.D) interns, graduate students, and volunteer mental health professionals to provide personalized individual, couple, family, and group counseling services. All students and volunteers are overseen, managed, and evaluated by licensed clinicians who ensure services align with the American Psychological Association (APA) evidence-based recommendations for the assessment and treatment of psychiatric disorders. Students who provide client services come from accredited universities and are rigorously vetted and regularly evaluated to ensure that the quality of services meets or exceeds the services you would get from a licensed psychologist. The Faulk Center for Counseling's model of care is further supplemented with Licensed Mental Health Counselors (LMHC), Licensed Clinical Social Workers, Post-Doc Clinicians, and/or Registered Mental Health Interns who provide direct counseling and supportive services.

Program Services: The program services of the Elizabeth H. Faulk Foundation, which are provided by the Faulk Center for Counseling, include mental health counseling and supportive services organized under the following service areas:

Senior Services - The Faulk Center for Counseling provides targeted mental health services to seniors ages 60 and older in Palm Beach and Broward County, with a focus on those with the greatest economic and/or social need. Mental health services include weekly support groups conducted at partnering senior residences and senior community centers and/or through weekly clinician-initiated phone calls to enrolled older adults living in Palm Beach and Broward Counties. These services enable elderly clients to avoid the negative psychosocial effects of isolation and provides a means to preserve and enhance the client's cognitive abilities, physical health, and independence through social interaction and support.

Adult Mental Health Services - The Faulk Center for Counseling provides low-cost/no-cost individual, couple, and family counseling services to adult clients 18 years or older with a specific focus on economically-disadvantaged, underserved, uninsured, and underinsured individuals who otherwise would be unable to afford services. Clients work with a trained mental health clinician in a safe, caring, and confidential environment to freely explore their feelings, beliefs, and behaviors so they can identify and work through aspects of their lives where change is desired. Individual counseling services for adults are further supplemented with targeted, weekly group counseling and support groups to further reduce isolation, receive peer support, and collectively heal.

Children, Adolescents, and Family Mental Health Services - The Faulk Center for Counseling provides low-cost/no-cost counseling services to children and adolescents between the ages of 5-17 with a specific focus on students who experienced adverse childhood experiences, struggle with school, peer, and other life-related stressors, and/or have difficulty regulating their internal experiences. Students work with a trained mental health clinician in a safe, caring, and age-appropriate environment to 1.) better understand and work through unpleasant emotions, increase opportunities for more positive feelings, as well as learn more effective ways to express their needs; 2.) learn coping techniques, mindfulness skills and other helpful strategies that promote adaptive behaviors that are aligned with values and, 3.) improve problem solving as well as strengthen self-esteem and self-efficacy in order to effectively face and navigate challenging circumstances, difficult relationships, and other sources of toxic stress as they arise. Counseling services for children and adolescents are further supplemented with targeted, weekly group counseling and discussion groups to further reduce isolation, receive peer support, and collectively heal.

ELIZABETH H. FAULK FOUNDATION, INC.

Notes to Financial Statements

June 30, 2024

1. FOUNDATION AND PROGRAM SERVICES (continued)

Schools Preventative Mental Health Services - The Faulk Center for Counseling's Schools Preventive Program is a collaborative effort with partnering elementary and middle public schools in Palm Beach County to provide weekly onsite mental health group counseling to high need/at-risk students as recommended by parents or parental caregivers, teachers, and/or school guidance counselors. During group counseling sessions, the clinician guides discussion so that the student obtains a better understanding of themselves and their situation through process-based/role-playing conversations, goal setting, and support. The approach used by the clinician can vary depending on whether the issues being addressed are presented as disruptive or risky behaviors (aggression, bullying, truancy, non-compliance, self-harm, drug use), emotional/social impairments (depression, anxiety, trauma, dysfunctional relationships, ineffective communication), or a combination of both. Regardless of the intervention, the goal remains the same: to effectuate positive change, growth, and healing for the student that is struggling.

Psychological Testing - The Faulk Center for Counseling provides low-cost psychological testing services to clients to assess the cause of mental health symptoms and disorders, to determine the correct diagnosis, and to follow up with the appropriate course of treatment. The Faulk Center for Counseling provides psychoeducational and psychological testing for both children and adults to address learning disabilities, giftedness, behavior problems, depression, anxiety, personality disorders, and other mental health disorders.

Co-Located Mental Health Services - In partnership with the Palm Beach County School District, the Faulk Center for Counseling supplements the work of, and increases access to, school-based mental health care through the placement of co-located mental health professionals in Palm Beach County schools. Faulk Center for Counseling co-located mental health professionals are credentialed professionals who meet state licensure requirements. These clinicians are supervised by the Faulk Center for Counseling and operate in alignment with school teams, policies, and procedures. These clinicians provide intensive, individual supports, delivering evidence-based mental health care assessment, diagnosis, intervention, treatment, and recovery services to students identified as having significant emotional or behavioral challenges that negatively impact their school success and/or overall functioning.

Education - The Faulk Center for Counseling regularly facilitates and actively promotes educational and awareness opportunities, both internally and in cooperation with community partners, for both mental health professionals and the general public. The goals of the Faulk Center for Counseling's education and outreach efforts are to reduce the misconceptions and stigma associated with mental health, encourage and support those who are suffering with mental health challenges, and to ensure mental health needs are being adequately addressed through accessible and available resources both internally and externally. Regular educational opportunities offered by the Faulk Center for Counseling include our Facilitator Training Course and our monthly First Wednesday mental health lecture series.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Date of Management's Review: In preparing the financial statements, the Foundation has evaluated events and transactions for the potential recognition or disclosure through November 7, 2024, the date that the financial statements were available to be issued.

ELIZABETH H. FAULK FOUNDATION, INC.

Notes to Financial Statements

June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets: Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment: Property and equipment is carried at cost or if donated at the fair value on the date of the donation, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated life of the asset.

Donated property and equipment are reported as support without restrictions 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 support with restrictions. Without donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated assets are placed in service, reclassifying net assets with restrictions to net assets without restrictions at that time.

Additions and major renewals to property and equipment are capitalized. Maintenance and repairs are charged to expense when incurred.

Contract Revenue: The Foundation recognizes client fees in the period the services are provided.

Contributed Services: Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ELIZABETH H. FAULK FOUNDATION, INC.

Notes to Financial Statements

June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fair Value of Financial Instruments: Cash equivalents, accounts receivable, prepaid expenses, accounts payable, and accrued expenses are reflected in the financial statements at cost, which approximates fair value because of their short-term nature.

3. LIQUIDITY AND RESERVES

The Foundation has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The following table reflects the Foundation's financial assets as of June 30, 2024, reduced by amounts not available for general expenditures within one year.

Cash and Cash Equivalents	\$ 139,794
Total Financial Assets at June 30, 2024	<u>139,794</u>
Less Amounts Not Available to be Used Within One Year:	
Net Assets with Donor Restrictions	295,743
Less Net Assets with Purpose Restrictions to be Met in Less Than One Year	(94,000)
Less Restricted Real Estate	<u>(201,743)</u>
	<u>-</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ <u>139,794</u>

4. PROPERTY AND EQUIPMENT

The Board of County Commissioners of Palm Beach County (the "County") previously deeded approximately six acres of land to the Foundation with the provision that should the property cease to be used as a site for a mental health facility or is conveyed to another party without approval of the County, the property and all improvements on it would automatically revert to the County free and clear of all encumbrances. The land was recorded at its estimated fair market value at the date it was donated plus certain additional costs which were expended to prepare the land for building the facility.

A summary of property and equipment as of June 30, 2024 is as follows:

Building and Improvements	\$ 2,303,758
Equipment	107,920
Furniture and Fixtures	<u>87,332</u>
	2,499,010
Less: Accumulated Depreciation	<u>(1,592,264)</u>
	906,746
Land	<u>201,743</u>
	\$ <u>1,108,489</u>

ELIZABETH H. FAULK FOUNDATION, INC.
Notes to Financial Statements
June 30, 2024

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with restrictions are available for the following purposes or periods:

Program Services	\$ 94,000
Land	<u>201,743</u>
	<u>\$ 295,743</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donor as follows:

Program Services	<u>\$ 167,500</u>
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Net assets with restrictions in the amount of \$201,743 represents land donated to the Foundation with the provision that should the property cease to be used as a site for a mental health facility or is conveyed to another party without approval by the donor, the land would automatically revert to the donor.

6. CONTRIBUTED SERVICES

The value of contributed services included in the statement of activities is as follows:

Revenue	
Group Leader, Facilitator, and Volunteer Services	<u>\$ 230,753</u>
Expenses	
Adults	\$ 87,086
School Preventive	23,075
Children, Adolescents and Family	23,075
Senior Services	86,216
Education	2,608
General and Administrative	5,216
Fundraising	<u>3,477</u>
	<u>\$ 230,753</u>

The Foundation was provided volunteer professional counseling services during the year. Based on the current market value of the services provided, the Foundation would have paid \$230,752 in the year ended June 30, 2024. For further description of the volunteer counseling services see footnote one.

7. INCOME TAXES

The Foundation is a non-profit corporation, qualified under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from corporate income taxation on income related to its exempt function. No provision for income taxes has been made in the accompanying financial statements.

The Foundation has not incurred any interest or penalties on its income tax returns.

The Foundation's tax returns are subject to possible examination by the taxing authorities. For Federal income tax purposes, the tax returns remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

ELIZABETH H. FAULK FOUNDATION, INC.

Notes to Financial Statements

June 30, 2024

8. RETIREMENT PLAN

The Foundation has a Section 403(b) retirement plan (the "Plan") which covers substantially all employees. Participants may voluntarily contribute to the Plan through payroll deductions which are remitted directly to the plan custodian on a bi-monthly basis. The Plan provides for a discretionary match on employee contributions up to 4% of the participant's compensation. During the year ended June 30, 2024, the Foundation contributed \$17,427 to the Plan.

9. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash equivalents.

At June 30, 2024, the Foundation had approximately \$139,000 in cash, which did not exceed the FDIC insured amount.

10. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2023, the Board of Directors of the Foundation was instrumental in forming a non-profit organization, the Faulk Endowment, Inc. (the "Endowment") for the purpose of serving as a support organization to the Foundation. The Endowment's board of directors is independent of the Foundation. During the year ended June 30, 2023 and 2024, the Foundation donated all of its investments to the Endowment. The Endowment's principal activity will be to manage the investment funds and provide the necessary financial support for the Foundation to accomplish its mission.