

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

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For The Year Ended June 30, 2023
(with comparable totals for 2022)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Center for Family Services
of Palm Beach County, Inc.
West Palm Beach, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Center for Family Services of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 Center for Family Services of Palm Beach County, Inc. as of June 30, 2023, 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 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 Center for Family Services of Palm Beach County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Center for Family Services of Palm Beach County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Family Services of Palm Beach County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2024, on our consideration of Center for Family Services of Palm Beach County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Center for Family Services of Palm Beach County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Center for Family Services of Palm Beach County, Inc.'s internal control over financial reporting and compliance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of financial assistance and program expenses are presented for purposes of additional analysis and are 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 schedules of financial assistance and program expenses are fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Center for Family Services of Palm Beach County, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 13, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
January 11, 2024

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

**STATEMENT OF
FINANCIAL POSITION**

As of June 30, 2023

(with comparable totals for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
ASSETS				
Cash and cash equivalents	\$ 1,717,178	\$ 162,824	\$ 1,880,002	\$ 1,934,611
Accounts receivable	352,472	-	352,472	278,081
United Way allocation receivable	-	45,000	45,000	30,000
Other current assets	51,000	-	51,000	37,500
Total current assets	2,120,650	207,824	2,328,474	2,280,192
Deposits	7,500	-	7,500	7,500
Property and equipment, net	-	-	-	10,881
Operating right-of-use asset, net	677,272	-	677,272	-
Total assets	<u>\$ 2,805,422</u>	<u>\$ 207,824</u>	<u>\$ 3,013,246</u>	<u>\$ 2,298,573</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 11,904	\$ -	\$ 11,904	\$ 13,519
Accrued compensation and related expenses	132,763	-	132,763	85,253
Refundable advances	87,176	-	87,176	-
Current portion of operating lease obligation	140,504	-	140,504	-
Total current liabilities	372,347	-	372,347	98,772
Operating lease obligation	538,397	-	538,397	-
Total liabilities	910,744	-	910,744	98,772
Net assets:				
Without donor restrictions:				
Board designated	1,014,800	-	1,014,800	1,000,855
Undesignated	879,878	-	879,878	1,099,890
Total without donor restrictions	1,894,678	-	1,894,678	2,100,745
With donor restrictions	-	207,824	207,824	99,056
Total net assets	1,894,678	207,824	2,102,502	2,199,801
Total liabilities and net assets	<u>\$ 2,805,422</u>	<u>\$ 207,824</u>	<u>\$ 3,013,246</u>	<u>\$ 2,298,573</u>

See accompanying notes to financial statements.

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

**STATEMENT OF
ACTIVITIES**

For the Year Ended June 30, 2023

(with comparable totals for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
Support and Revenues:				
Governmental grants	\$ 2,181,783	\$ -	\$ 2,181,783	\$ 1,949,341
Contributions and bequests	346,682	162,824	509,506	1,610,879
United Way allocation	-	45,000	45,000	30,000
Service fees	38,683	-	38,683	67,353
Fundraising	720,046	-	720,046	382,882
Miscellaneous and interest income	38,114	-	38,114	3,658
Total support and revenues	<u>3,325,308</u>	<u>207,824</u>	<u>3,533,132</u>	<u>4,044,113</u>
Net assets released from restriction	<u>99,056</u>	<u>(99,056)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program	2,567,685	-	2,567,685	2,287,158
Management and general	582,776	-	582,776	438,424
Fundraising	479,970	-	479,970	233,807
Total expenses	<u>3,630,431</u>	<u>-</u>	<u>3,630,431</u>	<u>2,959,389</u>
Change in net assets	(206,067)	108,768	(97,299)	1,084,724
Net assets, beginning of year	<u>2,100,745</u>	<u>99,056</u>	<u>2,199,801</u>	<u>1,115,077</u>
Net assets, end of year	<u><u>\$ 1,894,678</u></u>	<u><u>\$ 207,824</u></u>	<u><u>\$ 2,102,502</u></u>	<u><u>\$ 2,199,801</u></u>

See accompanying notes to financial statements.

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

**STATEMENT OF
CASH FLOWS**

For the Year Ended June 30, 2023

(with comparable totals for 2022)

	2023 <u>Totals</u>	2022 <u>Totals</u>
Cash flows from operating activities:		
Cash received from contributors and grantors	\$ 2,734,074	\$ 3,587,929
Cash received from clients	38,683	67,353
Cash received from fundraising events	720,046	382,882
Interest income and other cash received	38,114	3,658
Cash paid to employees	(2,649,875)	(2,325,063)
Cash paid for goods and services	<u>(935,651)</u>	<u>(681,711)</u>
Net cash provided by (used in) operating activities	<u>(54,609)</u>	<u>1,035,048</u>
Change in cash and cash equivalents	(54,609)	1,035,048
Cash and cash equivalents, beginning of year	<u>1,934,611</u>	<u>899,563</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,880,002</u></u>	<u><u>\$ 1,934,611</u></u>

See accompanying notes to financial statements.

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

**STATEMENT OF
CASH FLOWS**

For the Year Ended June 30, 2023

(with comparable totals for 2022)

	<u>2023</u> <u>Totals</u>	<u>2022</u> <u>Totals</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ (97,299)	\$ 1,084,724
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	10,881	17,643
Lease expense	157,956	-
Decrease (increase) in:		
Accounts receivable	(74,391)	50,209
United Way allocation receivable	(15,000)	(2,500)
Other current assets	(13,500)	(35,500)
Increase (decrease) in:		
Accounts payable	(1,615)	(20,506)
Accrued compensation and related expenses	47,510	(9,022)
Refundable advances	87,176	(50,000)
Operating lease obligation	<u>(156,327)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (54,609)</u>	<u>\$ 1,035,048</u>

See accompanying notes to financial statements.

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

**STATEMENT OF
FUNCTIONAL EXPENSES**

For the Year Ended June 30, 2023

(with comparable totals for 2022)

	Program	Management and General	Fundraising	2023 Totals	2022 Totals
Personnel and related costs	\$2,119,238	\$ 474,187	\$ 103,960	\$2,697,385	\$2,316,041
Sponsored events	-	-	334,662	334,662	106,130
Occupancy	153,820	35,154	9,861	198,835	170,118
Outside services	49,762	5,542	3,655	58,959	63,261
Office expense and miscellaneous	34,060	11,025	-	45,085	46,196
Supplies, books and subscriptions	37,497	5,092	2,187	44,776	46,840
Insurance	31,356	6,833	2,010	40,199	35,758
Repairs and maintenance	26,848	10,432	1,739	39,019	40,279
Professional fees	25,910	4,801	1,400	32,111	26,694
Telephone	25,328	3,039	1,023	29,390	31,652
Utilities	15,959	3,398	999	20,356	17,635
Marketing and promotion	2,752	600	14,936	18,288	9,902
Training and recruiting	14,546	2,288	1,106	17,940	14,026
Bank charges	-	15,417	-	15,417	1,586
Conferences, travel and meetings	11,590	542	271	12,403	2,739
Depreciation	9,290	797	794	10,881	17,643
Licenses, dues and fees	6,740	1,895	1,181	9,816	9,334
Specific assistance to individuals	780	1,663	50	2,493	-
Printing and postage	2,209	71	136	2,416	3,555
Total expenses	<u>\$2,567,685</u>	<u>\$ 582,776</u>	<u>\$ 479,970</u>	<u>\$3,630,431</u>	<u>\$2,959,389</u>

See accompanying notes to financial statements.

For the Year Ended June 30, 2023

1. Organization and Significant Accounting Policies

Organization and Nature of Activities

Center for Family Services of Palm Beach County, Inc. (the "Center") was organized as a corporation in 1962 and granted nonprofit tax-exempt status under the laws of the State of Florida in 1966. The Center was formed to provide behavioral health services and education to individuals and families in Palm Beach County, Florida. In carrying out this basic purpose, the Center has operations established in West Palm Beach. The Center offers the following programs:

Counseling for Parents of Young Children (CPYC) is a program funded by the Children's Services Council which offers home-based counseling that promotes positive mental health and social-emotional outcomes for children birth to five and their families. Services address issues such as depression, stress, and trauma, parent/child bonding, attachment, relationships, parenting concerns, grief and loss, and social-emotional competence.

Prenatal Plus Mental Health (PMH) is a program funded by the Children's Services Council of Palm Beach County which offers a mental health assessment and ongoing mental health counseling for pregnant mothers who are at risk of negative maternal and/or infant health outcomes.

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

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

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

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

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

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

For the Year Ended June 30, 2023

1. Organization and Significant Accounting Policies, continued

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth under FASB Accounting Standards Codification (FASB ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. Accordingly, the net assets of the Center are reported in each of the following classes:

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

Net assets with donor restrictions: this classification includes those net assets whose use by the Center has been limited by donors to either a later period of time, or after specified dates, or for a specified purpose. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

The Center follows FASB ASC 820-10, *Fair Value Measurements and Disclosures*, which provides a common definition of fair value, establishes a framework to measure fair value within accounting principles generally accepted in the United States of America, and expands the disclosures about fair value measurements. The standard does not create any new fair value measurements. Instead, it applies under existing accounting pronouncements that require or permit fair value measurements.

For assets and liabilities measured at fair value on a recurring basis, entities should disclose information that allows financial statement users to assess (1) the inputs used to develop such measurements, such as Level 1 (i.e., quoted price in an active market for an identical asset or liability), Level 2 (i.e., quoted price for similar assets or liabilities in active markets), or Level 3 (i.e., unobservable inputs); and (2) the effect on changes in net assets of recurring measurements that use significant unobservable (Level 3) inputs. As of June 30, 2023, the Center did not have financial instruments measured at fair value on a recurring basis.

For the Year Ended June 30, 2023

1. Organization and Significant Accounting Policies, continued

Fair Value of Financial Instruments, continued

The following methods and assumptions were used by the Center in estimating fair value of financial instruments that are not disclosed under ASC 820-10.

Cash and cash equivalents: The carrying amount approximates fair value due to the relative size, timing, and amounts to be collected.

Accounts and United Way allocation receivable: The carrying amount reported approximates fair value due to the short-term duration of the instruments.

Accounts payable and Accrued compensation and related expenses: The carrying amount reported approximates fair value due to the short-term duration of the instruments.

Lease obligation: The carrying amount reported approximates fair value as the stated interest rate approximates market rates.

Cash and Cash Equivalents

Cash and cash equivalents include checking, savings, money market accounts, and petty cash. The Center also considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Expenditures for property and equipment are stated at cost. Expenditures for major additions and improvements in excess of \$10,000 are capitalized. Minor replacements, maintenance, and repairs are charged to expense as incurred. Donated assets are recorded at their estimated fair market values, when available, at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets.

Refundable Advance

The Center has reimbursement arrangements with various grantors whereby the Center receives funds ahead of the expenditures. In accordance with the terms of these arrangements, any funds that are not spent within the contract period must be refunded to the grantors.

Board Designated

As of June 30, 2023, the Center has segregated \$1,014,800 of net assets as a Board designated fund.

Revenue Recognition

The Center receives various grants from federal, state, local, and private agencies for program and supporting service expenses. These grants are generally on a cost reimbursement basis, including recoverable overhead. Revenues from grants are deemed earned and recognized in the statement of activities when expenditures are made for the purpose specified. Funds that have been received but have not yet been expended for the purpose specified are reported as revenue with donor restrictions or refundable advance, as applicable. Grants which are not awarded on a cost reimbursement basis are recorded as support in the year for which the grant was awarded and in which the conditions to the grant are met.

For the Year Ended June 30, 2023

1. Organization and Significant Accounting Policies, continued

Support and Revenue

Foundation support, unconditional promises to give, and other contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when either the stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified and reported in the statement of activities as net assets released from restrictions.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses that apply to more than one functional category have been allocated among the programs and supporting services benefited.

Advertising Costs

The Center expenses all advertising costs as incurred. Advertising expense is part of sponsored events and marketing and promotion in the statement of functional expenses, and amounted to approximately \$19,800 for the year ended June 30, 2023.

Tax Exemption

The Center is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the Center's financial statements.

The Center follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Center assesses its income tax positions based on management's evaluation of the facts, circumstances, and information available at the reporting date. The Center uses the prescribed more likely than not threshold when making its assessment. The Center has not accrued any interest expense or penalties related to tax positions. There are currently no open Federal or State tax years under audit.

Prior Year Comparable Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2022, from which the summarized information was derived. Certain 2022 amounts may have been reclassified to conform to 2023 classifications. Such reclassifications would have no effect on the change in net assets as previously reported.

For the Year Ended June 30, 2023

1. Organization and Significant Accounting Policies, continued

Recently Adopted Accounting Pronouncements

As of July 1, 2022, the Center adopted the provisions of FASB ASU No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 replaced existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. Under the new guidance, leases with terms of more than 12 months are required to be recognized in the statement of financial position as liabilities, with a corresponding “right-of-use” asset.

The Center also elected to adopt ASU No. 2018-11, *Leases (Topic 842) – Targeted Improvements*. ASU 2018-11 amends ASC 842 so that entities may elect not to recast their comparative periods in transition. The ASU allows entities to change their date of initial application to the beginning of the period of adoption. In doing so, entities would apply Accounting Standards Codification – *Leases (Topic 842)* in the comparative periods and provide disclosures required by ASC 840 for periods that continue to be presented in accordance with ASC 840.

2. Liquidity and Availability of Resources

Financial assets available for general expenditure within one year, that is, without donor restrictions or other restrictions limiting their use beyond planned operating expenditures comprise the following:

Cash and cash equivalents	\$ 1,880,002
Accounts receivable	352,472
United Way allocation receivable	<u>45,000</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 2,277,474</u>

The Center receives significant revenue from a contract with Children’s Service Council of Palm Beach County, which typically covers over 60% of its operating expenditures on a direct reimbursement basis. It also receives grants and other private donations, some of which have donor restrictions to be used in accordance with the purpose of the restrictions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Center must maintain sufficient resources to meet those responsibilities to its donors. Some of the Center’s net assets with donor restrictions are available for general expenditure within one year of June 30, 2023 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Center in the coming year.

Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. The Center forecasts its future cash flows and monitors liquidity on a monthly basis.

For the Year Ended June 30, 2023

3. Accounts Receivable

The recorded balance of accounts receivable is deemed to be fully collectible by management and consists of shared costs, which are to be reimbursed by recognized governmental agencies. A summary of the major accounts receivable as of June 30, 2023 is as follows:

Children’s Services Council	\$ 148,546
Foundations	110,000
Southeast Florida Behavioral Health Network	34,669
State of Florida (VOCA)	31,552
U.S. Department of Health	6,840
Other	<u>20,865</u>
Total accounts receivable	<u>\$ 352,472</u>

4. United Way Allocation Receivable

As of June 30, 2023, the Center recognized as receivable the 2023-24 United Way program allocation. Although donor designations of the United Way allocation may vary, differences between the amounts allocated and collected from the United Way have historically been insignificant. Accordingly, no provision is made for uncollectible amounts. All amounts are expected to be collected in less than one year.

5. Other Current Assets

Other current assets as of June 30, 2023, consisted of expenses and deposits for events that are yet to be held.

6. Property and Equipment

Property and equipment as of June 30, 2023, consisted of the following:

Furniture and equipment	\$ 486,423
Less accumulated depreciation	<u>486,423</u>
Property and equipment, net	<u>\$ -</u>

7. Net Assets with Donor Restrictions

Donor restricted net assets available for periods after June 30, 2023 consisted of the following:

Internship and case management	\$ 47,824
Partners for Change	65,000
S.A.F.E. Kids	45,000
Training for staff	<u>50,000</u>
Total net assets with donor restrictions	<u>\$ 207,824</u>

For the Year Ended June 30, 2023

8. Leases

In December 2016, the Center entered into a lease agreement for its office space located in West Palm Beach. The lease was amended in May 2022 under a non-cancellable lease and requires payments of \$14,989 per month for year 1 and 2, and annual increases by the Consumer Price Index, not to exceed 6%, for years 3, 4, and 5.

Operating right-of-use asset as of June 30, 2023, consisted of the following:

Office space	\$ 835,228
Less accumulated amortization	<u>157,956</u>
Net operating right-of-use asset	<u>\$ 677,272</u>

Operating lease obligation as of June 30, 2023, consisted of the following:

Office space	<u>\$ 678,901</u>
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Undiscounted future lease payments under the operating lease as of June 30, 2023, for the next four years and in the aggregate are:

Year ended <u>June 30,</u>	
2024	\$ 166,678
2025	192,567
2026	204,120
2027	<u>178,521</u>
	741,886
Less discount to present value	<u>62,985</u>
Present value of future lease payments	678,901
Less current portion	<u>140,504</u>
Non-current portion	<u>\$ 538,397</u>

Operating lease expense for the year ended June 30, 2023, is included within the occupancy category in the statement of functional expenses and consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Office space	<u>\$ 157,956</u>	<u>\$ 38,530</u>	<u>\$ 196,486</u>

The lease discount for the office space has been calculated using an interest rate of 4.75%, which approximates the incremental borrowing rate of the Center for the acquisition of the related asset at the time the lease was signed. Additional rent expense not reported under FASB ASC 842 for the year ended June 30, 2023, amounted to \$2,349, and consisted of variable payments for storage space and other operating expenses.

For the Year Ended June 30, 2023

9. Retirement Benefits

The Center offers a 401(k) defined contribution retirement plan covering substantially all of its full-time employees. The Center's contributions to the plan are discretionary. The Center has elected to match employee contributions 50% of up to 6% of each covered employee's contribution to the plan for the year ended June 30, 2023. The Center's 2023 matching contribution and administrative expense for the plan totaled approximately \$15,100, and is included within the personnel and related costs category in the statement of functional expenses.

10. Business and Credit Concentrations

The Center received various governmental grants throughout the year from various Federal, State, and local agencies as illustrated in the accompanying supplementary Schedule of Financial Assistance. Children's Services Council provided approximately 72% of the Center's fiscal 2023 governmental grant support.

The Center maintains its cash in bank deposit and brokerage accounts, which, at times, may exceed federally insured limits. Bank accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2023, there was approximately \$326,000 of uninsured deposits held in saving and money market accounts. The Center has not experienced any losses on such accounts and management believes the Center is not exposed to any significant credit risk arising from such balances.

11. Commitments and Contingencies

Financial awards from Federal, State, and local governmental entities, in the form of grants, are subject to special audit. Such audits could result in claims against the Center for disallowed costs or noncompliance with grantor restrictions. Management is not aware of any material instances of noncompliance and does not believe that the Center owes any funds with respect to disallowed costs or noncompliance with grantor restrictions. Accordingly, no provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

12. Subsequent Events

The Center's management has evaluated subsequent events through January 11, 2024, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Center for Family Services
of Palm Beach County, Inc.
West Palm Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Center for Family Services of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 11, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center for Family Services of Palm Beach County, Inc.'s internal control over financial reporting (internal control) 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 Center for Family Services of Palm Beach County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center for Family Services of Palm Beach County, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be 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 Center for Family Services of Palm Beach County, Inc.'s financial statements are free from 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 on the effectiveness of the Center for Family Services of Palm Beach County, 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 Center for Family Services of Palm Beach County, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holyfield + Thomas, LLC

West Palm Beach, Florida
January 11, 2024

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF FINANCIAL ASSISTANCE

For the Year Ended June 30, 2023

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
<u>Supporting Agency and Program Title</u>				
Children's Service Council of Palm Beach County:				
Counseling for Parents of Young Children	\$ -	\$ -	\$ 451,600	\$ 451,600
Prenatal Plus Mental Health	-	-	400,520	400,520
Positive Parenting Program	-	-	411,284	411,284
Teenage Positive Parenting Program	-	-	310,867	310,867
	<u>-</u>	<u>-</u>	<u>1,574,271</u>	<u>1,574,271</u>
Total Children's Service Council				
U.S. Department of Health:				
S.A.F.E. Kids Program	41,056	-	-	41,056
Southeast Florida Behavioral Health Network:				
Substance Abuse and Mental Health	-	-	378,686	378,686
State of Florida:				
Victims of Crime Act Agreement				
S.A.F.E. Kids Program	187,770	-	-	187,770
	<u>187,770</u>	<u>-</u>	<u>-</u>	<u>187,770</u>
Total financial assistance	<u>\$ 228,826</u>	<u>\$ -</u>	<u>\$ 1,952,957</u>	<u>\$ 2,181,783</u>

See independent auditor's report.

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

SCHEDULE OF PROGRAM EXPENSES

For the Year Ended June 30, 2023

	CPYC	PMH	Triple P / Teen Triple P	Counseling	S.A.F.E.	EMBARRCC	PFC	EAP	Total
Program expenses:									
Personnel and related costs	\$ 430,375	\$ 429,920	\$ 413,802	\$ 159,914	\$ 301,997	\$ 201,833	\$ 163,032	\$ 18,365	\$ 2,119,238
Occupancy	29,581	23,664	43,386	9,861	15,776	13,804	13,804	3,944	153,820
Outside services	3,675	3,081	5,378	31,575	1,958	1,895	1,711	489	49,762
Office expense and miscellaneous	7,464	2,797	8,458	11,188	1,285	1,424	1,123	321	34,060
Supplies, books and subscriptions	7,040	7,054	9,081	2,155	2,458	6,246	2,837	626	37,497
Insurance	6,030	4,824	8,844	2,010	3,216	2,814	2,814	804	31,356
Repairs and maintenance	5,086	4,069	7,484	1,764	2,785	2,373	2,599	688	26,848
Professional fees	8,120	3,410	6,260	1,400	2,240	1,960	1,960	560	25,910
Telephone	6,098	4,247	7,280	1,645	1,157	3,599	1,013	289	25,328
Utilities	3,365	2,399	4,398	999	1,600	1,399	1,399	400	15,959
Marketing and promotion	529	423	776	176	283	247	247	71	2,752
Training and recruiting	1,741	3,289	2,349	3,111	781	2,447	644	184	14,546
Conferences, travel and meetings	4,220	113	5,847	15	1,197	171	21	6	11,590
Depreciation	2,262	1,529	1,529	794	794	794	794	794	9,290
Licenses, dues and fees	1,293	1,052	1,896	431	689	603	603	173	6,740
Specific assistance to individuals	150	120	220	50	80	70	70	20	780
Printing and postage	383	641	1,066	21	32	29	29	8	2,209
	<u>\$ 517,412</u>	<u>\$ 492,632</u>	<u>\$ 528,054</u>	<u>\$ 227,109</u>	<u>\$ 338,328</u>	<u>\$ 241,708</u>	<u>\$ 194,700</u>	<u>\$ 27,742</u>	<u>\$ 2,567,685</u>

See independent auditor's report.