

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

**REPORT ON AUDIT OF  
FINANCIAL STATEMENTS**

**For The Year Ended June 30, 2024  
(with comparable totals for 2023)**

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Opinion***

We have audited the accompanying financial statements of Center for Family Services of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 Center for Family Services of Palm Beach County, 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 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 December 18, 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.

### ***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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 11, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, 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, 2024

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

**STATEMENT OF  
FINANCIAL POSITION**

***As of June 30, 2024***

***(with comparable totals for 2023)***

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Totals</u>	<u>2023 Totals</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 561,979	\$ 163,000	\$ 724,979	\$ 1,880,002
Accounts receivable	422,061	-	422,061	352,472
United Way allocation receivable	-	45,000	45,000	45,000
Other current assets	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>51,000</u>
Total current assets	1,009,040	208,000	1,217,040	2,328,474
Deposits	7,500	-	7,500	7,500
Investment pool held by Community Foundation	1,058,256	-	1,058,256	-
Property and equipment, net	32,060	-	32,060	-
Operating right-of-use asset, net	<u>512,618</u>	<u>-</u>	<u>512,618</u>	<u>677,272</u>
Total assets	<u>\$ 2,619,474</u>	<u>\$ 208,000</u>	<u>\$ 2,827,474</u>	<u>\$ 3,013,246</u>
<b>LIABILITIES AND NET ASSETS</b>				
Accounts payable	\$ 18,670	\$ -	\$ 18,670	\$ 11,904
Accrued compensation and related expenses	123,934	-	123,934	132,763
Refundable advances	-	-	-	87,176
Current portion of operating lease obligation	<u>171,417</u>	<u>-</u>	<u>171,417</u>	<u>140,504</u>
Total current liabilities	314,021	-	314,021	372,347
Operating lease obligation	<u>366,961</u>	<u>-</u>	<u>366,961</u>	<u>538,397</u>
Total liabilities	<u>680,982</u>	<u>-</u>	<u>680,982</u>	<u>910,744</u>
Net assets:				
Without donor restrictions:				
Board designated	1,058,256	-	1,058,256	1,014,800
Undesignated	<u>880,236</u>	<u>-</u>	<u>880,236</u>	<u>879,878</u>
Total without donor restrictions	1,938,492	-	1,938,492	1,894,678
With donor restrictions	<u>-</u>	<u>208,000</u>	<u>208,000</u>	<u>207,824</u>
Total net assets	<u>1,938,492</u>	<u>208,000</u>	<u>2,146,492</u>	<u>2,102,502</u>
Total liabilities and net assets	<u>\$ 2,619,474</u>	<u>\$ 208,000</u>	<u>\$ 2,827,474</u>	<u>\$ 3,013,246</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, 2024***

***(with comparable totals for 2023)***

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Totals</u>	<u>2023 Totals</u>
Support and Revenues:				
Governmental grants	\$ 2,507,377	\$ -	\$ 2,507,377	\$ 2,181,783
Contributions and bequests	432,288	163,000	595,288	509,506
United Way allocation	-	45,000	45,000	45,000
Service fees	61,846	-	61,846	38,683
Fundraising	821,200	-	821,200	720,046
Miscellaneous and interest income	57,186	-	57,186	38,114
Change in value of investment pool held by Community Foundation	<u>(3,765)</u>	<u>-</u>	<u>(3,765)</u>	<u>-</u>
Total support and revenues	<u>3,876,132</u>	<u>208,000</u>	<u>4,084,132</u>	<u>3,533,132</u>
Net assets released from restriction	<u>207,824</u>	<u>(207,824)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program	2,953,384	-	2,953,384	2,567,685
Management and general	572,190	-	572,190	582,776
Fundraising	<u>514,568</u>	<u>-</u>	<u>514,568</u>	<u>479,970</u>
Total expenses	<u>4,040,142</u>	<u>-</u>	<u>4,040,142</u>	<u>3,630,431</u>
Change in net assets	43,814	176	43,990	(97,299)
Net assets, beginning of year	<u>1,894,678</u>	<u>207,824</u>	<u>2,102,502</u>	<u>2,199,801</u>
Net assets, end of year	<u><u>\$ 1,938,492</u></u>	<u><u>\$ 208,000</u></u>	<u><u>\$ 2,146,492</u></u>	<u><u>\$ 2,102,502</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, 2024***

***(with comparable totals for 2023)***

	2024 <u>Totals</u>	2023 <u>Totals</u>
Cash flows from operating activities:		
Cash received from contributors and grantors	\$ 2,990,900	\$ 2,734,074
Cash received from clients	61,846	38,683
Cash received from fundraising events	821,200	720,046
Interest income and other cash received	57,186	38,114
Cash paid to employees	(2,937,008)	(2,649,875)
Cash paid for goods and services	<u>(1,054,275)</u>	<u>(935,651)</u>
Net cash used in operating activities	<u>(60,151)</u>	<u>(54,609)</u>
Cash flows from investing activities:		
Purchase of investment pool held by Community Foundation	(1,062,021)	-
Purchase of property and equipment	<u>(32,851)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,094,872)</u>	<u>-</u>
Change in cash and cash equivalents	(1,155,023)	(54,609)
Cash and cash equivalents, beginning of year	<u>1,880,002</u>	<u>1,934,611</u>
Cash and cash equivalents, end of year	<u><u>\$ 724,979</u></u>	<u><u>\$ 1,880,002</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, 2024***

***(with comparable totals for 2023)***

	2024 <u>Totals</u>	2023 <u>Totals</u>
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	\$ 43,990	\$ (97,299)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Change in value of investment pool held by Community Foundation	3,765	-
Depreciation	791	10,881
Lease expense	164,654	157,956
Decrease (increase) in:		
Accounts receivable	(69,589)	(74,391)
United Way allocation receivable	-	(15,000)
Other current assets	26,000	(13,500)
Increase (decrease) in:		
Accounts payable	6,766	(1,615)
Accrued compensation and related expenses	(8,829)	47,510
Refundable advances	(87,176)	87,176
Operating lease obligation	<u>(140,523)</u>	<u>(156,327)</u>
Net cash used in operating activities	<u>\$ (60,151)</u>	<u>\$ (54,609)</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, 2024***

***(with comparable totals for 2023)***

	Program	Management and General	Fundraising	2024 Totals	2023 Totals
Personnel and related costs	\$2,396,520	\$ 365,578	\$ 166,081	\$2,928,179	\$2,697,385
Sponsored events	36,556	23,658	278,268	338,482	346,552
Occupancy	153,461	34,697	5,703	193,861	198,835
Repairs and maintenance	60,431	84,900	16,980	162,311	39,019
Training and recruiting	77,228	6,956	4,576	88,760	17,940
Supplies, books and subscriptions	48,505	2,130	7,004	57,639	44,776
Outside services	36,859	9,625	656	47,140	58,959
Insurance	34,450	6,914	1,421	42,785	40,199
Professional fees	25,575	6,800	4,118	36,493	32,111
Conferences, travel and meetings	26,614	3,185	5,894	35,693	12,403
Telephone	27,289	1,943	334	29,566	29,390
Bank charges	4,016	10,522	9,863	24,401	15,401
Utilities	15,939	1,927	696	18,562	20,356
Marketing and promotion	-	6,600	5,522	12,122	32,272
Licenses, dues and fees	6,849	3,384	1,001	11,234	9,816
Printing and postage	3,092	442	6,376	9,910	2,416
Office expense and miscellaneous	-	2,138	75	2,213	19,227
Depreciation	-	791	-	791	10,881
Specific assistance to individuals	-	-	-	-	2,493
<b>Total expenses</b>	<b>\$2,953,384</b>	<b>\$ 572,190</b>	<b>\$ 514,568</b>	<b>\$4,040,142</b>	<b>\$3,630,431</b>

*See accompanying notes to financial statements.*

*For the Year Ended June 30, 2024*

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**1. Organization and Significant Accounting Policies**

*Organization and Nature of Activities*

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

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

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

*Positive Parenting Program/Teen Positive Parenting 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, 2024*

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

*Financial Statement Presentation*

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

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

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

*Basis of Accounting*

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

*Estimates*

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

*Fair Value of Financial Instruments*

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

For assets and liabilities measured at fair value on a recurring basis, entities should disclose information that allows financial statement users to assess (1) the inputs used to develop such measurements, such as Level 1 (i.e., quoted price in an active market for an identical asset or liability), Level 2 (i.e., quoted price for similar assets or liabilities in active markets), or Level 3 (i.e., unobservable inputs); and (2) the effect on changes in net assets of recurring measurements that use significant unobservable (Level 3) inputs.

*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.

*For the Year Ended June 30, 2024*

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

*Investment Pool held by Community Foundation*

In June 2024, the Center invested funds with the Community Foundation that are valued based on the Center's proportionate share of the fair value of the underlying securities in the pooled investments of the Community Foundation. These funds have been segregated as Board designated funds.

*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.

*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 for the grant are met.

*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.

*For the Year Ended June 30, 2024*

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

*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 \$1,750 for the year ended June 30, 2024.

*Leases*

The Center accounts for all leases in accordance with ASC 842, *Leases*, recognizing lease liabilities and right-of-use (ROU) assets in the statement of financial position for all leases that meet the definition of a lease, except for short-term leases with lease terms of 12 months or less where the practical expedient to not recognize lease liabilities and ROU assets is elected. Lease payments are recognized as rent expense in the statement of activities on a straight-line basis over the term of the lease.

*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, 2023, from which the summarized information was derived. Certain 2023 amounts may have been reclassified to conform to 2024 classifications. Such reclassifications would have no effect on the change in net assets as previously reported.

**2. Fair Value Measurements**

FASB ASC 820-10 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

*For the Year Ended June 30, 2024*

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**2. Fair Value Measurements, continued**

The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

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

*Level 2:* Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement of an asset or liability 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 the Center in estimating fair value of financial instruments that are not disclosed under ASC 820.

*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.

*Items Measured at Fair Value on a Recurring Basis:* The following methods and assumptions were used by the Center in estimating fair value of financial instruments that are measured at fair value on a recurring basis under ASC 820.

*Investment pool held by Community Foundation:* Valued based on the Center's proportionate share of the fair value of the underlying pooled investments reported by the Community Foundation. The fair value of the underlying securities in the Community Foundation's portfolio is not observable. (Level 3).

The table below sets forth a summary of changes in the balance, including changes in the fair value, of the Center's investment pool held by Community Foundation for the year ended June 30, 2024.

Balance, beginning of year	\$ -
Contributions/settlements	1,062,021
Change in value	<u>(3,765)</u>
Balance, end of year	<u>\$ 1,058,256</u>

***For the Year Ended June 30, 2024***

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**3. 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	\$ 724,979
Accounts receivable	422,061
United Way allocation receivable	<u>45,000</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,192,040</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, 2024 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. Furthermore, management believes the Center has sufficient funds designated by the Board for contingencies, which may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need. The Center forecasts its future cash flows and monitors liquidity on a monthly basis.

**4. 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, 2024 is as follows:

Children’s Services Council	\$ 223,836
U.S. Department of Health	50,470
State of Florida (VOCA)	45,227
Foundations	40,000
Southeast Florida Behavioral Health Network	36,443
Other	<u>26,085</u>
Total accounts receivable	<u>\$ 422,061</u>

**5. United Way Allocation Receivable**

As of June 30, 2024, the Center recognized as receivable the 2024-25 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.



*For the Year Ended June 30, 2024*

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**6. Other Current Assets**

Other current assets as of June 30, 2024, consisted of expenses and deposits for events that are yet to be held.

**7. Property and Equipment**

Property and equipment as of June 30, 2024, consisted of the following:

Furniture and equipment	\$ 519,274
Less accumulated depreciation	<u>487,214</u>
Property and equipment, net	<u>\$ 32,060</u>

**8. Net Assets with Donor Restrictions**

Donor restricted net assets available for periods after June 30, 2024 consisted of the following:

Individual and Family Counseling	\$ 63,000
Partners for Change	100,000
S.A.F.E. Kids	<u>45,000</u>
Total net assets with donor restrictions	<u>\$ 208,000</u>

**9. 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 years 1 and 2, and annual increases tied to the Consumer Price Index, not to exceed 6%, for years 3, 4, and 5.

Operating right-of-use asset as of June 30, 2024, consisted of the following:

Office space	\$ 835,228
Less accumulated amortization	<u>322,610</u>
Net operating right-of-use asset	<u>\$ 512,618</u>

Operating lease obligation as of June 30, 2024, consisted of the following:

Office space	<u>\$ 538,378</u>
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Operating lease expense for the year ended June 30, 2024, 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>\$ 164,958</u>	<u>\$ 24,961</u>	<u>\$ 189,919</u>

***For the Year Ended June 30, 2024***

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**9. Leases, continued**

Undiscounted future lease payments under the operating lease as of June 30, 2024, for the next three years and in the aggregate are:

Year ended <u>June 30,</u>	
2025	\$ 192,548
2026	204,120
2027	<u>178,522</u>
	575,190
Less discount to present value	<u>36,812</u>
Present value of future lease payments	538,378
Less current portion	<u>171,417</u>
Non-current portion	<u>\$ 366,961</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, 2024, amounted to \$3,942, and consisted of variable payments for storage space and other operating expenses.

**10. 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, 2024. The Center's 2024 matching contribution and administrative expense for the plan totaled approximately \$19,500, and is included within the personnel and related costs category in the statement of functional expenses.

**11. Business and Credit Concentrations**

The Center received various governmental grants throughout the year from various Federal, State, and local agencies as illustrated in the accompanying supplementary Schedule of Financial Assistance. Children's Services Council provided approximately 70% of the Center's fiscal 2024 governmental grant support.

The Center maintains its cash in bank, brokerage, and credit union accounts, which, at times, may exceed federally insured limits. Bank and brokerage accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Credit union accounts are insured by the National Credit Union Administration (NCUA) up to \$250,000. As of June 30, 2024, the Center had no funds in excess of federally insured limits.

*For the Year Ended June 30, 2024*

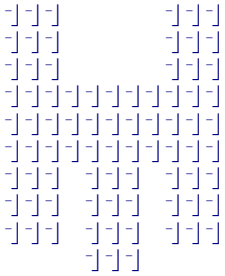
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**12. Commitments and Contingencies**

Financial awards from Federal, State, and local governmental entities, in the form of grants, are subject to special audits. 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.

**13. Subsequent Events**

The Center's management has evaluated subsequent events through December 18, 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.



# 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  
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, 2024, 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 December 18, 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  
December 18, 2024

## **SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF FINANCIAL ASSISTANCE**

*For the Year Ended June 30, 2024*

	<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	\$ -	\$ -	\$ 469,456	\$ 469,456
Prenatal Plus Mental Health	-	-	492,397	492,397
Positive Parenting Program	-	-	427,529	427,529
Teenage Positive Parenting Program	-	-	368,475	368,475
	<u>-</u>	<u>-</u>	<u>1,757,857</u>	<u>1,757,857</u>
Total Children's Service Council				
U.S. Department of Health:				
S.A.F.E. Kids Program	153,344	-	-	153,344
Southeast Florida Behavioral Health Network:				
Substance Abuse and Mental Health	-	-	417,706	417,706
State of Florida:				
Victims of Crime Act Agreement				
S.A.F.E. Kids Program	178,470	-	-	178,470
	<u>178,470</u>	<u>-</u>	<u>-</u>	<u>178,470</u>
Total financial assistance	<u>\$ 331,814</u>	<u>\$ -</u>	<u>\$ 2,175,563</u>	<u>\$ 2,507,377</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, 2024***

	CPYC	PMH	Triple P / Teen Triple P	Counseling	S.A.F.E.	EMBARRCC	PFC	EAP	Total
Program expenses:									
Personnel and related costs	\$ 407,472	\$ 419,605	\$ 644,868	\$ 243,973	\$ 309,117	\$ 215,693	\$ 141,932	\$ 13,860	\$ 2,396,520
Sponsored events	4,878	3,536	6,134	54	872	21,020	49	13	36,556
Occupancy	24,652	20,853	37,917	9,475	30,245	20,808	7,607	1,904	153,461
Repairs and maintenance	5,367	4,553	8,108	7,748	5,157	26,986	1,982	530	60,431
Training and recruiting	6,812	6,791	9,261	13,867	12,517	25,919	1,646	415	77,228
Supplies, books and subscriptions	5,978	6,548	5,920	2,908	2,384	24,095	536	136	48,505
Outside services	1,824	1,536	2,795	25,093	2,125	2,747	589	150	36,859
Insurance	5,700	4,775	8,695	2,139	6,295	4,431	1,918	497	34,450
Professional fees	4,045	3,355	6,890	1,525	4,880	3,355	1,220	305	25,575
Conferences, travel and meetings	5,812	9,095	8,148	198	204	3,157	-	-	26,614
Telephone	6,393	4,334	8,536	1,761	1,489	3,896	764	116	27,289
Bank charges	819	676	1,106	251	503	376	261	24	4,016
Utilities	2,683	2,236	4,073	993	2,776	1,984	945	249	15,939
Licenses, dues and fees	1,027	1,213	1,810	388	1,169	817	338	87	6,849
Printing and postage	494	467	2,131	-	-	-	-	-	3,092
	<u>\$ 483,956</u>	<u>\$ 489,573</u>	<u>\$ 756,392</u>	<u>\$ 310,373</u>	<u>\$ 379,733</u>	<u>\$ 355,284</u>	<u>\$ 159,787</u>	<u>\$ 18,286</u>	<u>\$ 2,953,384</u>

*See independent auditor's report.*