

211 PALM BEACH/TREASURE COAST, INC.

**REPORT ON AUDIT OF
CONSOLIDATED FINANCIAL STATEMENTS**

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

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Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
211 Palm Beach/Treasure Coast, Inc.
Lantana, Florida

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of 211 Palm Beach/Treasure Coast, Inc. (a Florida nonprofit corporation), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of 211 Palm Beach/Treasure Coast, 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 Consolidated Financial Statements section of our report. We are required to be independent of 211 Palm Beach/Treasure Coast, 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 opinions.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 211 Palm Beach/Treasure Coast, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 211 Palm Beach/Treasure Coast, 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 211 Palm Beach/Treasure Coast, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. In addition, the consolidated schedules of program expenses on pages 32-33, state earnings on page 34, and actual revenues and expenses on pages 35-36 are presented for purposes of additional analysis, and are not a required part of the basic consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2024, on our consideration of 211 Palm Beach/Treasure Coast, 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 211 Palm Beach/Treasure Coast, 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 211 Palm Beach/Treasure Coast, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the 211 Palm Beach/Treasure Coast, Inc. 2022 consolidated financial statements, and our report dated February 14, 2023, expressed an unmodified opinion on those audited consolidated financial statements. 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 30, 2024

*As of June 30, 2023**(with comparable totals for 2022)*

	Without Donor Restrictions	With Donor Restrictions	2023	2022
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,077,291	\$ 847,083	\$ 4,924,374	\$ 3,356,933
Grants and allocations receivable	451,080	-	451,080	285,099
Accounts receivable	11,660	147,000	158,660	7,000
Prepaid expenses and other assets	57,043	-	57,043	82,272
Total current assets	4,597,074	994,083	5,591,157	3,731,304
Beneficial interest in assets held by				
Community Foundation - designated fund	1,000,000	-	1,000,000	-
Investment in deferred compensation plan	12,942	-	12,942	8,782
Property and equipment, net	329,790	-	329,790	356,269
Operating right-of-use asset, net	51,256	-	51,256	-
Total assets	<u>\$ 5,991,062</u>	<u>\$ 994,083</u>	<u>\$ 6,985,145</u>	<u>\$ 4,096,355</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and accrued expenses	\$ 205,008	\$ -	\$ 205,008	\$ 168,456
Deferred revenue	5,000	-	5,000	5,000
Refundable advance	361,329	-	361,329	98,120
Current portion of mortgage payable	16,373	-	16,373	15,732
Current portion of operating lease obligation	9,906	-	9,906	-
Deposits	-	-	-	7,910
Total current liabilities	597,616	-	597,616	295,218
Mortgage payable, net of current portion	133,405	-	133,405	149,404
Operating lease obligation	41,350	-	41,350	-
Obligation under deferred compensation plan	12,942	-	12,942	8,782
Total liabilities	<u>785,313</u>	<u>-</u>	<u>785,313</u>	<u>453,404</u>
Net assets:				
Without donor restrictions:				
Undesignated	2,205,749	-	2,205,749	3,177,844
Board designated	3,000,000	-	3,000,000	-
Total without donor restrictions	5,205,749	-	5,205,749	3,177,844
With donor restrictions	-	994,083	994,083	465,107
Total net assets	<u>5,205,749</u>	<u>994,083</u>	<u>6,199,832</u>	<u>3,642,951</u>
Total liabilities and net assets	<u>\$ 5,991,062</u>	<u>\$ 994,083</u>	<u>\$ 6,985,145</u>	<u>\$ 4,096,355</u>

See accompanying notes to consolidated financial statements.

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

	Without Donor Restrictions	With Donor Restrictions	2023 Totals	2022 Totals
Support and Revenues:				
Support:				
Federal grants and contracts	\$ 1,532,703	\$ -	\$ 1,532,703	\$ 569,240
State, County, and other local grants	3,892,194	702,588	4,594,782	3,037,693
United Way allocations	447,125	-	447,125	525,091
In-kind contribution	20,000	-	20,000	-
Contributions	459,177	160,950	620,127	889,314
Capital campaign, net	-	512,037	512,037	31,078
Total support	<u>6,351,199</u>	<u>1,375,575</u>	<u>7,726,774</u>	<u>5,052,416</u>
Revenues:				
Rental income	35,875	-	35,875	93,949
Fundraising revenue	68,003	-	68,003	69,385
Training and license	5,000	-	5,000	12,060
Other income	4,150	-	4,150	6,968
Total revenues	<u>113,028</u>	<u>-</u>	<u>113,028</u>	<u>182,362</u>
Total support and revenues	<u>6,464,227</u>	<u>1,375,575</u>	<u>7,839,802</u>	<u>5,234,778</u>
Net assets released from restrictions	<u>846,599</u>	<u>(846,599)</u>	<u>-</u>	<u>-</u>
	<u>7,310,826</u>	<u>528,976</u>	<u>7,839,802</u>	<u>5,234,778</u>
Expenses:				
Program services	4,597,919	-	4,597,919	3,191,835
Support services:				
Management and general	242,606	-	242,606	154,276
Growth and infrastructure	247,308	-	247,308	127,309
Building	28,464	-	28,464	43,676
Fundraising	166,624	-	166,624	146,746
Total expenses	<u>5,282,921</u>	<u>-</u>	<u>5,282,921</u>	<u>3,663,842</u>
Change in net assets	2,027,905	528,976	2,556,881	1,570,936
Net assets, beginning of year	<u>3,177,844</u>	<u>465,107</u>	<u>3,642,951</u>	<u>2,072,015</u>
Net assets, end of year	<u>\$ 5,205,749</u>	<u>\$ 994,083</u>	<u>\$ 6,199,832</u>	<u>\$ 3,642,951</u>

See accompanying notes to consolidated financial statements.

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

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from contributors and grantors	\$ 7,657,342	\$ 5,089,683
Cash received from rentals	35,875	93,949
Cash received from fundraising	68,003	69,385
Other income	4,150	6,968
Cash paid to employees and suppliers for goods and services	(5,165,732)	(3,488,174)
Interest paid	<u>(6,839)</u>	<u>(7,528)</u>
Net cash provided by operating activities	<u>2,592,799</u>	<u>1,764,283</u>
Cash flows from investing activities:		
Purchase of property and equipment	(10,000)	-
Funds transferred to Community Foundation	<u>(1,000,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,010,000)</u>	<u>-</u>
Cash flows from financing activities:		
Mortgage principal payments	<u>(15,358)</u>	<u>(14,669)</u>
Net cash used in financing activities	<u>(15,358)</u>	<u>(14,669)</u>
Change in cash and cash equivalents	1,567,441	1,749,614
Cash and cash equivalents, beginning of year	<u>3,356,933</u>	<u>1,607,319</u>
Cash and cash equivalents, end of year	<u>\$ 4,924,374</u>	<u>\$ 3,356,933</u>

See accompanying notes to consolidated financial statements.

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

	<u>2023</u>	<u>2022</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 2,556,881	\$ 1,570,936
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	36,479	63,437
Lease expense	4,795	-
Change in split-interest agreements	-	3,222
(Increase) decrease in:		
Grants and allocations receivable	(165,981)	(13,665)
Accounts receivable	(151,660)	(1,000)
Prepaid expenses and other assets	25,229	49,898
(Decrease) increase in:		
Accounts payable and accrued expenses	36,552	46,673
Deposit	(7,910)	4,910
Refundable advance	263,209	39,872
Operating lease obligation	(4,795)	-
Net cash provided by operating activities	<u>\$ 2,592,799</u>	<u>\$ 1,764,283</u>

See accompanying notes to consolidated financial statements.

211 PALM BEACH/TREASURE COAST, INC.

For the Year Ended June 30, 2023

	Support Services			
	Program Services		Management and General	
	2023	2022	2023	2022
Salaries and wages	\$3,298,493	\$2,216,956	\$ 180,269	\$ 108,280
Payroll taxes and employee benefits	548,979	411,372	27,153	15,572
Total salaries and related expenses	3,847,472	2,628,328	207,422	123,852
Advertising and promotion	11,229	9,087	594	382
Amortization	-	-	-	-
Bank charges	-	16	1,677	1,752
Computer software and support	96,575	85,504	3,676	3,578
Direct assistance to individuals	4,741	9,171	-	-
Equipment rental and maintenance	52,825	62,516	102	458
Insurance	59,493	51,559	2,545	2,232
Licenses, dues, and subscriptions	24,032	13,661	813	480
Miscellaneous	-	141	190	218
Mortgage interest	3,214	5,593	3,217	1,395
Occupancy	55,354	49,727	5,886	5,323
Operating supplies	23,969	15,571	1,467	455
Other	1,782	4,236	2,641	9,132
Payroll	2,899	881	123	40
Postage	6,105	5,550	396	174
Printing	-	14,058	-	310
Professional services	160,034	57,184	5,830	2,066
Property tax	-	-	-	-
Special events venue and other direct expenses	-	-	-	-
Staff training	9,141	3,554	170	24
Telephone	210,641	126,641	5,106	457
Travel	16,656	12,447	284	406
Total expenses before depreciation	4,586,162	3,155,425	242,139	152,734
Depreciation	11,757	36,410	467	1,542
Total functional expenses	<u>\$4,597,919</u>	<u>\$3,191,835</u>	<u>\$ 242,606</u>	<u>\$ 154,276</u>

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENT OF
FUNCTIONAL EXPENSES**

(with comparable totals for 2022)

Support Services							
Growth and Infrastructure		Building		Fundraising		2023 Totals	2022 Totals
2023	2022	2023	2022	2023	2022		
\$ -	\$ -	\$ -	\$ -	\$ 91,022	\$ 85,035	\$3,569,784	\$2,410,271
-	-	-	-	14,873	15,411	591,005	442,355
-	-	-	-	105,895	100,446	4,160,789	2,852,626
26,437	5,518	-	-	488	374	38,748	15,361
-	-	408	408	-	-	408	408
-	-	50	50	4,733	2,021	6,460	3,839
5,495	4,418	-	-	6,815	8,779	112,561	102,279
-	-	-	-	-	-	4,741	9,171
-	-	-	-	66	463	52,993	63,437
-	-	-	-	1,260	2,014	63,298	55,805
-	-	70	170	870	408	25,785	14,719
-	-	-	-	-	100	190	459
-	-	-	-	-	131	6,431	7,119
-	-	974	9,991	1,135	1,780	63,349	66,821
-	-	-	-	351	718	25,787	16,744
240	154	-	-	6,004	280	10,667	13,802
-	-	-	-	62	33	3,084	954
-	44	-	-	119	176	6,620	5,944
-	-	-	-	-	292	-	14,660
209,956	112,813	-	6,239	4,188	1,784	380,008	180,086
-	-	2,952	2,808	-	-	2,952	2,808
-	4,362	-	-	31,620	24,796	31,620	29,158
2,100	-	-	-	70	26	11,481	3,604
3,080	-	-	-	2,502	418	221,329	127,516
-	-	-	-	201	232	17,141	13,085
247,308	127,309	4,454	19,666	166,379	145,271	5,246,442	3,600,405
-	-	24,010	24,010	245	1,475	36,479	63,437
<u>\$ 247,308</u>	<u>\$ 127,309</u>	<u>\$ 28,464</u>	<u>\$ 43,676</u>	<u>\$ 166,624</u>	<u>\$ 146,746</u>	<u>\$5,282,921</u>	<u>\$3,663,842</u>

See accompanying notes to consolidated financial statements.

For the Year Ended June 30, 2023

1. Organization and Summary of Significant Accounting Policies

Organization and Nature of Activities

211 Palm Beach/Treasure Coast, Inc. ("211") is a non-profit corporation organized in November 1971 under the laws of the State of Florida. 211 provides information to the public about available health and human service resources, telephone counseling to individuals with personal or family problems, and services to special populations, such as older adults and adolescents. 415 Gator Drive, Inc., was formed in August 1999 to hold title to real property utilized by 211. The Board of Directors is the same for both organizations, and 211 utilizes the real property of 415 Gator Drive, Inc. Therefore, the financial information for both organizations (the "Organization") is consolidated in these financial statements and all inter-company transactions have been eliminated.

Consolidated Financial Statement Presentation

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

Net assets without donor restrictions: are those currently available for use in the current operations of the Organization under the direction of the Board of Directors.

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

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, which recognizes revenue when earned, and expenses as incurred. Grants are recorded as support when performance occurs under the terms of the grant agreement.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

For the Year Ended June 30, 2023

1. Organization and Summary of Significant Accounting Policies, continued

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 highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

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

The 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 carrying amounts of financial instruments including cash and cash equivalents, accounts payable, and accrued liabilities approximate their fair value because of the relatively short maturity of these instruments. Additionally, mortgage payable, line of credit, and lease obligations approximate their fair value as stated interest rates approximate current market rates.

Items Measured at Fair Value on a Recurring Basis

The following methods and assumptions were used by the Organization in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under FASB ASC 820-10:

- *Beneficial interest in assets held by Community Foundation* – valued based on the Organization's proportionate share of the fair value of the underlying pooled investment reported by the Community Foundation. These assets are measured according to Level 3.
- *Investments in and obligations under deferred compensation plan* – consists of balance mutual funds measured at net asset value (NAV) quoted by the custodian as of the close of business. These investments are all measured according to Level 1.

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 asset, beneficial interest in assets held by Community Foundation, for the year ended June 30, 2023.

For the Year Ended June 30, 2023***1. Organization and Summary of Significant Accounting Policies, continued****Fair Value Measurements, continued*

Balance, beginning of year	\$ -
Funds transferred to Community Foundation	1,000,000
Funds received from Community Foundation	-
Net change in value	<u>-</u>
Balance, end of year	<u>\$ 1,000,000</u>

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

	<u>Fair Value</u>	<u>Valuation Techniques</u>	<u>Unobservable Inputs</u>
Beneficial interest in assets held by Community Foundation	<u>\$ 1,000,000</u>	3 rd party valuation pricing	Underlying securities

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. During the fiscal year, deposits were maintained in commercial bank checking accounts and money market accounts.

Grants and Allocations Receivable

Grants receivable are recognized as the reimbursable expense is incurred. Allocations receivable arise from various grantors, all of which share a similar fiscal year as the Organization and are treated as promises to give. When there is conditional language within the allocation agreements, or there is an absence of clearly unconditional terms, income is recognized from such allocations as conditions are satisfied.

Grants and allocations receivable are considered to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Accounts Receivable

The Organization provides specific program related services for other agencies and records the income and receivable as the service is rendered. Management has evaluated the collectability of its accounts receivable and feel that all receivables are collectable for the year ending June 30, 2023.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets are principally comprised of insurance premiums related to future coverage, deposits for special events that are to be held subsequent to the date of the consolidated financial statements, and a gift annuity under a split-interest agreement.

For the Year Ended June 30, 2023

1. Organization and Summary of Significant Accounting Policies, continued

Property and Equipment

Property and equipment in excess of \$5,000 is recorded at cost, or if donated, at the estimated fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 – 30 years. Expenditures for repairs and maintenance are charged to expense as incurred. Major improvements are capitalized.

Contributions

Gifts of cash and other donated assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restriction. Furthermore, restricted contributions that are initially restricted as to time or use are required to be reported as net assets with donor restrictions and are later reclassified to net assets without donor restrictions upon expiration of the time or use restriction.

Deferred Revenue

Income and fees for special events yet to be held are deferred and recognized over the periods to which the income and fees relate.

Refundable Advance

The Organization occasionally receives advances to cover certain reimbursable program expenses. Pursuant to the agreement, funds received by the Organization which were not spent are subject to be returned to the funder. As of June 30, 2023, the Organization had approximately \$62,000 in advances from Children's Services Council to cover certain program expenses for the period July 2023 through September 2023. There were also funds received from Southeast Florida Behavioral Health Network of approximately \$152,000 and First Call for Help of Broward, Inc. of approximately \$147,000, which were not spent and were refunded subsequent to June 30, 2023.

Donated Services and In-kind Contributions

Donated services and in-kind support are recognized as contributions in accordance with FASB ASC Topic 958-605-30, *Revenue Recognition*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. These services are reflected in the consolidated financial statements at their estimated fair market value at the date of the receipts and on the statement of functional expense under professional services. The Organization recognized \$20,000 in donated services which were based on current rates for the type of service provided for the year ended June 30, 2023.

For the Year Ended June 30, 2023

1. Organization and Summary of Significant Accounting Policies, continued*Functional Allocation of Expenses*

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and in the consolidated statement of functional expenses. Accordingly, direct costs have been charged to the specific program or supporting service as incurred and non-direct costs have been allocated among the programs and supporting services benefited. Salaries and other related expenses are allocated based on studies of personnel. Occupancy and related costs are allocated based on studies of relative space utilization and the benefit provided.

Advertising

Advertising costs are expensed as incurred. Total advertising cost for the year ended June 30, 2023 was approximately \$38,700.

Income Taxes

211 is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. 415 Gator Drive, Inc. is exempt under Section 501(c)(2), and files a consolidated tax return with 211 as an affiliate. Income from certain activities not directly related to 211's tax-exempt purpose is subject to taxation as unrelated business income. In addition, 211 qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Based upon an analysis of its net unrelated business income for the current year and the net operating loss carryovers available from earlier years, 211 does not believe there is any income tax owed for the period and there is no tax liability recognized in these consolidated financial statements.

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

Prior Year Summarized Information

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

For the Year Ended June 30, 2023

1. Organization and Summary of Significant Accounting Policies, continued

Recent Adopted Accounting Pronouncements

As of July 1, 2022, the Organization adopted the provisions of FASB Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). The new standard 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 corresponding “right-of-use” assets.

The Organization 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 “Comparatives Under 840 Option”). 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. Program Services and Initiatives

The following is a description of the major programs and initiatives of 211

Resource Center/HelpLine Palm Beach County – Provides information, assessment, referral, crisis intervention, counseling, and suicide intervention, via the telephone number 2-1-1, and via text, chat, email and online database 24 hours a day / 365 days a year. This is a toll free, confidential community and crisis helpline, available to the residents of Palm Beach County.

Resource Center/HelpLine Treasure Coast – Provides information, assessment, referral, crisis intervention, counseling, and suicide intervention, via the telephone number 2-1-1, and via text, chat, email and online database 24 hours a day / 365 days a year. This is a toll free, confidential community and crisis helpline, available to the residents of Indian River, Martin, St. Lucie and Okeechobee Counties.

Lifeline (988) – Provides suicide and emotional crisis intervention and de-escalation via the phone 24 hours a day / 365 days a year. This a nationwide number that routes locally placed calls to our fully trained staff.

First Responders – Provides crisis intervention, information and referral, and care coordination to area first responders and their families. This is a toll free number as part of a Statewide response to increased emotional and suicidal rates and provides first responder peers.

Elder Crisis Outreach – Provides telephone and in-home crisis intervention services to individuals in Palm Beach County age 60 and over who are in emotional, financial and/or social distress. The goal is to intervene as early as possible to assist older adults in maintaining their independence.

Special Needs – Provides parents and caregivers of children with special needs (birth to age 22) support in finding healthcare options, financial assistance, support groups, educational information, respite and other services.

For the Year Ended June 30, 2023

2. Program Services and Initiatives, continued

Help Me Grow – This 211 program provides special information and advice to parents who are concerned about their child's physical and emotional development, behavior or learning by providing developmental screening and care coordination.

My Florida Veteran – Florida Veterans Support Line provides veterans/former military and their families with comprehensive information, referral to services, emotional support, and care coordination by trained veteran peers who have access to hundreds of community-based services.

Sunshine Services – Provides daily telephone reassurance calls to elders and homebound individuals in Palm Beach, St. Lucie, Okeechobee, Indian River and Martin counties to check on their well-being and give them a friendly “hello.” Often times, the “sunshine call” is the only outside contact the client has all day. These calls can also be life-saving; if one of the isolated elders we call does not answer or has been injured, we send help to them.

Caregiver Project – Caregiver Project serves individuals who are 18 years or older and caregiving for another adult of any age. This program provides supportive crisis counseling, comprehensive needs assessment, linkage to community services, advocacy with family or service providers and follow up.

Growth and Infrastructure/Capital Campaign – Growth and Infrastructure/Capital Campaign provide funding for the future growth and improved infrastructure of the agency to sustain critically needed social services for years to come. Included in this program is a multi-year capital campaign with the objective of building a new 12,000 square foot, hurricane-rated headquarters facility to house its growing operations at the current location for approximately \$6 million.

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 comprise the following:

Cash and cash equivalents	\$ 4,924,374
Grants and allocations receivable	451,080
Accounts receivable	<u>158,660</u>
	5,534,114
Less capital campaign (cash and receivables)	<u>665,215</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 4,868,899</u>

For the Year Ended June 30, 2023**3. Liquidity and Availability of Resources, continued**

The Organization is substantially supported by contracts, grants, allocations, and contributions without donor and with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Some of the Organization's net assets with donor restrictions are available for general expenditure within one year of June 30, 2023 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Organization in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. Furthermore, the Organization maintains a \$100,000 line of credit which may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need (See Note 6).

4. Receivables

The Organization receives and records grants, contracts, and accounts receivable in the course of providing its programs and activities. The balance of the Organization's receivables consists of the following as of June 30, 2023:

Palm Beach County, Board of County Commissioners	\$ 44,364
National Suicide Prevention Lifeline	215,600
Children's Forum	29,290
Children's Services Council – Palm Beach County	29,161
The Crisis Center of Tampa Bay, Inc.	46,464
First Call for Help of Broward, Inc.	23,329
Palm Beach County, FAA	11,101
Indian River County BOCC	11,810
Health Care District of Palm Beach County	3,333
Victim Services and Support	24,650
TD Charitable Foundation	5,000
Children's Services Council – St. Lucie County	<u>6,978</u>
Total grants and allocations receivable	<u>451,080</u>
Other receivables	11,660
Account (and capital campaign) receivable	<u>147,000</u>
Total accounts receivable	<u>158,660</u>
Total receivables	<u>\$ 609,740</u>

For the Year Ended June 30, 2023

5. Property and Equipment

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

Office furniture and equipment	\$ 126,621
Computers and software	183,500
Buildings and improvements	647,499
Leasehold improvements	244,122
Land	160,000
Construction in progress	<u>10,000</u>
	1,371,742
Less accumulated depreciation	<u>1,041,952</u>
	<u>\$ 329,790</u>

Construction in progress as of June 30, 2023, includes accumulated costs incurred for the future construction of a new headquarters facility.

6. Mortgage Payable and Line of Credit*Mortgage Payable*

The mortgage for the property owned by 415 Gator Drive, Inc. was refinanced in July 2016. The principal amount of the mortgage was \$250,000 payable over 15 years with a maturity date of July 2031. Monthly payments are \$1,849.63 at an interest rate of 4%, which approximates the effective interest rate, for the first 60 months. The scheduled payment amount may then change and change every 60 payments thereafter. The mortgage is collateralized by the property at 415 Gator Drive, Inc. together with future rents and leases. The balance of the mortgage payable as of June 30, 2023 was \$153,066. The closing costs of \$6,114 are being amortized over the term of the mortgage, fifteen years. Current amortization expense was \$408 and is reported as part of interest expense in the consolidated statement of activities.

Future maturities of the mortgage payable for years ending June 30, 2023 are approximately:

2024	\$ 16,373
2025	17,040
2026	17,735
2027	18,457
2028	19,209
Thereafter	<u>64,252</u>
	153,066
Less debt issuance costs, net	<u>3,288</u>
	149,778
Less current portion of mortgage payable	<u>16,373</u>
Long-term mortgage payable	<u>\$ 133,405</u>

For the Year Ended June 30, 2023**6. Mortgage Payable and Line of Credit, continued***Revolving Line of Credit*

The Organization has a \$100,000 working capital revolving line of credit secured by the real estate, and payable at an interest rate equal to the Wall Street Journal Prime Rate plus 0.50% (9% as of June 30, 2023). The line of credit was unused as of June 30, 2023.

7. Net Assets – With Donor and Without Donor Restrictions

In addition to reporting net assets that have donor restrictions, the Organization designates net assets from time to time, to provide funding for future programs and initiatives. As of June 30, 2023, the Organization's classification of net assets was as follows:

Net assets with donor restrictions:

Veterans support	\$ 103,991
Capital Campaign – building funds	665,215
Special Needs support	63,207
Elder Crisis Outreach Funds	53,964
Elder Crisis Outreach Grants	35,207
Sunshine	57,014
New position	6,055
Employee Recognition and Awards	2,536
Special Needs funds	1,900
Other	<u>4,994</u>

Total net assets with donor restrictions	<u>994,083</u>
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Net assets without donor restrictions:

Undesignated	2,205,749
Board designated	
Building	1,000,000
Operating reserve	<u>2,000,000</u>

Total net asset without donor restrictions	<u>5,205,749</u>
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Total net assets	<u>\$ 6,199,832</u>
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8. Beneficial Interest in Assets Held at the Community Foundation

In June 2023, 211 Palm Beach/Treasure Coast, Inc. entered into a funding agreement and contributed \$1,000,000 to the Community Foundation for Palm Beach and Martin Counties (the "Community Foundation") to establish a charitable fund, the 211 Palm Beach Treasure Coast Reserve Fund (the "Designated Fund"). This fund will invest in a diversified portfolio having a target asset allocation of 50% money market and 50% long-term growth portfolio.

For the Year Ended June 30, 2023**8. Beneficial Interest in Assets Held at the Community Foundation, continued**

The funding agreement releases all rights, title and interest to the assets and grants variance power to the Community Foundation. Distributions from the charitable fund are to be in accordance with the Community Foundation's spending policy, at the request of 211 Palm Beach/Treasure Coast, Inc. The total cumulative contributions made to the Designated Fund amounted to \$1,000,000 as of June 30, 2023. 211 Palm Beach/Treasure Coast Inc.'s beneficial interest in funds held by the Community Foundation is reported at the fair market value of the underlying investments as reported by the Community Foundation. 211 Palm Beach/Treasure Coast inc.'s beneficial interest in the Designated Fund assets held by the Community Foundation was \$1,000,000 as of June 30, 2023.

9. Leases*Operating Leases*

The Organization leases office equipment (including service), under a non-cancelable operating lease arrangement that extends through May 2028. The lease requires minimum payments of \$959 per month.

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

Office equipment	\$ 55,283
Less accumulated amortization	<u>4,027</u>
Net operating right-of-use asset	<u>\$ 51,256</u>

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

Office equipment	\$ 51,256
Less current portion	<u>9,906</u>
Non-current portion	<u>\$ 41,350</u>

Operating lease expense for the year ended June 30, 2023 consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Lease expense - office equipment	<u>\$ 4,027</u>	<u>\$ 769</u>	<u>\$ 4,796</u>

For the Year Ended June 30, 2023

9. Leases, continued

Undiscounted future lease payments under operating leases as of June 30, 2023 for each of the next five years include:

2024	\$ 11,509
2025	11,509
2026	11,509
2027	11,509
2028	<u>9,591</u>
	55,627
Less discount to present value	<u>4,371</u>
	51,256
Present value of future lease payments	9,906
Less current portion	<u>9,906</u>
	\$ <u>41,350</u>

Discount has been calculated using an interest of 3.5% for the office equipment, which approximates the incremental borrowing rate of the Organization for the acquisition of the related asset at the time the lease was signed.

Operating lease expense for the year ended June 30, 2023, is included within the equipment rental and maintenance category in the consolidated statement of functional expenses.

10. Commitments and Contingencies***Compliance Audits***

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 Organization for disallowed costs or noncompliance with grantor restrictions. Management is not aware of any instances of material noncompliance and does not believe the Organization 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 date.

11. Employee Benefit Plans***Defined Contribution Plan***

The Organization established a retirement plan under Section 403(b) of the Internal Revenue Code, effective January 1, 1995. Employees become eligible when they attain age 21 and work more than 1,000 hours during the year. During the year ended June 30, 2023, the Organization's employer match contribution was equal to the employee's deferral to the plan, up to a maximum of 1% of employee compensation. Total employer expense for the year ended June 30, 2023 was \$13,970, and is included in payroll taxes and employee benefits in the consolidated schedules of program expenses.

For the Year Ended June 30, 2023

11. Employee Benefit Plans, continued

The Organization offered an executive employee selected by the Board of Directors a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan permits the Board of Directors to approve additional compensation for the executive employee and to defer it on their behalf under the plan. In addition, the executive employee may defer additional amounts through salary reduction agreements. Both the Organization's contributions and executive employee contributions are subject to statutory limits. All deferred compensation under the plan is not available to the covered employee until termination, retirement, death or an unforeseeable emergency. All amounts of compensation deferred under the plan, all property, and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the covered employee or other beneficiary) solely the property and rights of the Organization, subject to the claims of the Organization's creditors.

During the year ending June 30, 2023, the Organization made contributions to the plan totaling \$2,955. Funds of the plan are invested in mutual funds as directed by the employee. These funds have a fair value of approximately \$12,900 as of June 30, 2023, and are presented as investment in deferred compensation plan with an offsetting obligation under deferred compensation plan in the consolidated statement of financial position.

12. Concentration and Credit Risk

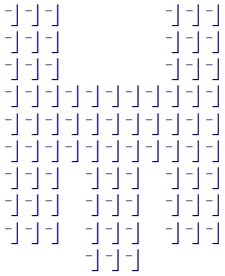
At various times during the year, the Organization may have more funds on deposit at financial institutions than the \$250,000 insured by the Federal Deposit Insurance Corporation and/or the National Credit Union Administration. Management believes its deposits are kept at high quality, regional banking and credit institutions. In Management's opinion, its cash balance does not represent unusual risk. As of June 30, 2023, there were approximately \$4,641,000 in uninsured cash balances.

The Organization receives the majority of its funding from public sources and is, therefore, dependent upon the availability of federal, state, and county grants and awards for its continued existence. The Organization currently receives approximately 4% of its cash funding from Palm Beach County, 40% from National Suicide Prevention Lifeline, 15% from the Southeast Florida Behavioral Health Network, 8% collectively from four local Children's Services Councils, 6% collectively from seven local United Way chapters, and approximately 27% from various others. Any significant reduction in the level of one of the support sources described above, if it were to occur, could have a material effect on the Organization's programs and activities.

13. Subsequent Event***Date of Management Evaluation***

Management has assessed subsequent events through January 30, 2024, the date the consolidated financial statements were available to be issued and has determined that the following additional disclosure was required to be presented in these consolidated financial statements.

In August 2023, the Organization opened a certificate of deposit for \$2,000,000 with a financial institution. The certificate of deposit was originally for 91 days and had an interest rate of 5.51%. It was further renewed for an additional 91 days at a rate of 5.37% with a maturity in February 2024.



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

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
211 Palm Beach/Treasure Coast, Inc.
Lantana, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of 211 Palm Beach/Treasure Coast, Inc. (a non-profit organization), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered 211 Palm Beach/Treasure Coast, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of 211 Palm Beach/Treasure Coast, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of 211 Palm Beach/Treasure Coast 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 consolidated 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 211 Palm Beach/Treasure Coast, Inc.'s consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 211 Palm Beach/Treasure Coast, 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 211 Palm Beach/Treasure Coast, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
January 30, 2024



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

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

To the Board of Directors of
211 Palm Beach/Treasure Coast, Inc.
Lantana, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited 211 Palm Beach/Treasure Coast, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of 211 Palm Beach/Treasure Coast, Inc.'s major federal programs for the year ended June 30, 2023. 211 Palm Beach/Treasure Coast, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 211 Palm Beach/Treasure Coast, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 211 Palm Beach/Treasure Coast, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of 211 Palm Beach/Treasure Coast, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to 211 Palm Beach/Treasure Coast, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 211 Palm Beach/Treasure Coast, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about 211 Palm Beach/Treasure Coast, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 211 Palm Beach/Treasure Coast, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of 211 Palm Beach/Treasure Coast, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 211 Palm Beach/Treasure Coast, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Holyfield & Thomas, LLC

West Palm Beach, Florida
January 30, 2024

For The Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Consolidated Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to consolidated financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance on major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Major programs:

Federal Grantor	U.S. Department of Health and Human Services
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ALN Number	93.958
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Name of Federal Program or Cluster:	Block Grants for Community Mental Health Services
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Dollar Threshold used to distinguish between type A and type B programs:	\$ 750,000
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Auditee qualified as a low-risk auditee?	No
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For The Year Ended June 30, 2023

SECTION II – CONSOLIDATED FINANCIAL STATEMENT FINDINGS

There are no findings or questioned costs reported for the year ended June 30, 2023, relative to financial reporting for 211 Palm Beach/Treasure Coast, Inc.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs reported for the year ended June 30, 2023, relative to federal awards for the major federal program for 211 Palm Beach/Treasure Coast, Inc.

CORRECTIVE ACTION PLAN

There is no corrective action plan required, as there are no findings or question costs reported for the year ended June 30, 2023, with respect to federal awards.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior audit findings or questioned costs for the year ended June 30, 2022, relative to federal awards for the major federal program requiring action on the part of the auditee for that fiscal year.

SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title	ALN / Award Number	Federal Expenditures
US Department of Health and Human Services		
Passed through from Southeast Florida Behavioral Health Network		
Block Grants for Community Mental Health Services	93.958 LFT09	\$ 858,603
Passed through from First Call for Help of Broward, Inc.		
Block Grants for Community Mental Health Services	93.958	
First Responders Grant	LH839	158,288
		1,016,891
US Department of Health and Human Services		
Passed through from Southeast Florida Behavioral Health Network		
Substance Abuse and Mental Health Services Administration	93.243	
SA&MH Services -Projects of Regional & National Significance	LTF09	300,148
Passed through from 988 Suicide and Crisis Lifeline		
Substance Abuse and Mental Health Services Administration	93.243	
SA&MH Services -Projects of Regional & National Significance	S23-SM84816-001	215,664
Total federal expenditures		\$ 1,532,703

See independent auditor's report and accompanying notes to schedule of expenditures of federal awards

For The Year Ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of 211 Palm Beach/Treasure Coast, Inc. under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 211 Palm Beach/Treasure Coast, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of 211 Palm Beach/Treasure Coast, Inc..

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

211 Palm Beach/Treasure Coast, Inc. has elected not to use the 10% de minimis indirect cost allowed under the Uniform Guidance.

See independent auditor's report.

For the Year Ended June 30, 2023

	Resource Center		988 Lifeline	First Responder	Elder Crisis Outreach	Special Needs	Help Me Grow	My Florida Veteran	Sunshine Services	Totals
	Palm Beach County	Treasure Coast								
Salaries and wages	\$1,065,641	\$ 431,299	\$ 826,055	\$ 120,691	\$ 153,651	\$ 77,613	\$ 366,852	\$ 111,665	\$ 145,027	\$3,298,493
Payroll taxes and employee benefits	194,928	74,321	101,989	17,006	35,460	14,339	70,087	20,603	20,246	548,979
Total salaries and related expenses	1,260,569	505,620	928,044	137,697	189,111	91,952	436,939	132,268	165,273	3,847,472
Advertising and promotion	4,141	1,908	2,666	425	374	287	538	266	624	11,229
Computer software and support	33,191	12,929	19,987	3,187	2,806	2,175	6,250	1,998	14,052	96,575
Direct assistance to individuals	-	-	-	-	912	-	-	3,829	-	4,741
Equipment rental and maintenance	32,869	13,854	4,185	667	175	100	288	144	543	52,825
Insurance	22,629	9,001	13,932	2,208	1,956	1,500	4,690	1,393	2,184	59,493
Licenses, dues, and subscriptions	10,037	4,035	4,069	638	787	557	2,441	605	863	24,032
Mortgage interest	2,299	915	-	-	-	-	-	-	-	3,214
Occupancy	19,889	7,885	11,675	1,850	1,763	1,318	7,807	1,252	1,915	55,354
Operating supplies	7,744	2,821	3,461	525	628	606	7,222	340	622	23,969
Other	468	305	288	34	40	31	442	29	145	1,782
Payroll	1,102	438	678	109	95	74	228	68	107	2,899
Postage	2,176	865	1,332	212	187	143	848	134	208	6,105
Printing	-	-	-	-	-	-	-	-	-	-
Professional services	40,971	65,029	28,687	3,844	3,636	3,133	7,752	2,379	4,603	160,034
Staff training	4,212	1,647	902	316	208	100	1,456	120	180	9,141
Telephone	88,147	35,271	35,394	5,290	7,475	5,292	18,593	5,277	9,902	210,641
Travel	7,968	1,805	-	-	226	106	4,000	452	2,099	16,656
Total expenses before depreciation	1,538,412	664,328	1,055,300	157,002	210,379	107,374	499,494	150,554	203,320	4,586,162
Depreciation	4,471	1,778	2,752	439	387	297	927	275	431	11,757
Total functional expenses	<u>\$1,542,883</u>	<u>\$ 666,106</u>	<u>\$1,058,052</u>	<u>\$ 157,441</u>	<u>\$ 210,766</u>	<u>\$ 107,671</u>	<u>\$ 500,421</u>	<u>\$ 150,829</u>	<u>\$ 203,751</u>	<u>\$4,597,919</u>

See Independent auditor's report

For the Year Ended June 30, 2022

	Resource Center		988 Lifeline	First Responder	Elder Crisis Outreach	Special Needs	Help Me Grow	My Florida Veteran	Sunshine Services	Totals
	Palm Beach County	Treasure Coast								
Salaries and wages	\$1,057,536	\$ 392,518	\$ 7,507	\$ 851	\$ 141,895	\$ 73,682	\$ 342,768	\$ 90,374	\$ 109,825	\$2,216,956
Salaries - in-kind	-	-	-	-	-	-	-	-	-	-
Payroll taxes and employee benefits	197,479	63,924	551	65	32,558	17,136	70,471	13,042	16,146	411,372
Total salaries and related expenses	1,255,015	456,442	8,058	916	174,453	90,818	413,239	103,416	125,971	2,628,328
Advertising and promotion	3,716	2,811	-	-	455	220	1,266	308	311	9,087
Bank charges	10	-	-	-	-	-	-	-	6	16
Computer software and support	42,985	16,843	-	-	5,143	2,533	11,946	3,517	2,537	85,504
Direct assistance to individuals	-	-	-	-	1,133	-	-	8,038	-	9,171
Equipment rental and maintenance	28,110	17,260	-	-	1,691	2,294	2,091	3,857	7,213	62,516
Insurance	24,861	9,279	-	-	3,391	1,581	7,960	2,247	2,240	51,559
Licenses, dues, and subscriptions	4,078	2,182	-	-	560	217	6,015	308	301	13,661
Miscellaneous	83	-	-	-	-	-	58	-	-	141
Mortgage interest	3,055	1,149	-	-	220	101	761	156	151	5,593
Occupancy	22,822	9,075	191	31	3,000	1,405	9,130	2,010	2,063	49,727
Operating supplies	4,679	1,730	-	-	632	317	7,198	426	589	15,571
Other	3,205	34	-	-	1	26	752	1	217	4,236
Payroll	423	156	-	-	56	28	140	39	39	881
Postage	1,945	733	-	-	267	164	1,675	182	584	5,550
Printing	10,314	1,278	-	-	463	225	1,144	317	317	14,058
Professional services	24,144	20,502	-	-	2,299	1,240	5,664	1,580	1,755	57,184
Staff training	1,939	1,081	-	-	35	17	434	24	24	3,554
Telephone	82,716	35,844	-	-	737	295	2,394	459	4,196	126,641
Travel	5,410	988	-	-	628	112	4,799	319	191	12,447
Total expenses before depreciation	1,519,510	577,387	8,249	947	195,164	101,593	476,666	127,204	148,705	3,155,425
Depreciation	17,527	6,368	-	-	2,353	1,136	5,795	1,602	1,629	36,410
Total functional expenses	\$1,537,037	\$ 583,755	\$ 8,249	\$ 947	\$ 197,517	\$ 102,729	\$ 482,461	\$ 128,806	\$ 150,334	\$3,191,835

See independent auditor's report.

For the Year Ended June 30, 2023

Total Expenditures	\$ 5,282,921
Less Other State and Federal Funds	(538,222)
Less Non-Match SAMH Funds	-
Less Unallowable Costs per 65E-14, F.A.C.	<u>-</u>
Total Allowable Expenditures	4,744,699
	<u> x 75%</u>
Maximum Available Earnings	3,558,524
Amount of State Funds Requiring Match	<u>1,158,751</u>
Amount (Due) to Department	<u><u>\$ 2,399,773</u></u>

See independent auditor's report.

For the Year Ended June 30, 2023

	State-Designated SAMH Covered Center				Total SAMH Funding	Non-State Funded	Non- SAMH	Total
	Circuit 15		Circuit 19					
	Mental Health	Substance Abuse	Mental Health	Substance Abuse				
Government funding:								
State funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,270	\$ 164,270
Local government	-	-	-	-	-	558,409	537,716	1,096,125
Federal grants and contracts	693,726	-	465,025	-	1,158,751	-	373,952	1,532,703
	693,726	-	465,025	-	1,158,751	558,409	1,075,938	2,793,098
Carry forward funding	-	-	-	-	-	-	-	-
Total government funding	693,726	-	465,025	-	1,158,751	558,409	1,075,938	2,793,098
All other revenues:								
Contributions and donations	-	-	-	-	-	160,903	1,059,264	1,220,167
Other grants and contracts	-	-	-	-	-	650,695	3,175,842	3,826,537
Total all other revenues	-	-	-	-	-	811,598	4,235,106	5,046,704
Total funding sources and revenues	\$ 693,726	\$ -	\$ 465,025	\$ -	\$ 1,158,751	\$ 1,370,007	\$ 5,311,044	\$ 7,839,802

See independent auditor's report.

For the Year Ended June 30, 2023

	Mental Health	Substance Abuse	Total SAMH Funding	Non-State Funded	Total Services	Non- SAMH	Other Support Cost	Administration	Total Expenses
Personnel expenses:									
Salaries and wages	\$ 895,903	\$ -	\$ 895,903	\$ 601,037	\$ 1,496,940	\$ 1,801,553	\$ 91,022	\$ 180,269	\$ 3,569,784
Fringe benefits	100,868	-	100,838	168,412	269,250	279,729	14,873	27,153	591,005
Total personnel expenses	996,771	-	996,741	769,449	1,766,190	2,081,282	105,895	207,422	4,160,789
Operating expenses:									
Building occupancy	11,113	-	11,113	16,662	27,775	27,580	5,061	5,886	66,302
Professional services	34,785	-	34,785	72,754	107,539	265,350	4,250	5,953	383,092
Travel	5,557	-	5,557	4,216	9,773	6,883	201	284	17,141
Equipment	28,472	-	28,472	64,371	92,843	62,052	6,881	3,778	165,554
Subcontracted services	4,964	-	4,964	6,876	11,840	6,047	-	-	17,887
Insurance	13,261	-	13,261	18,369	31,630	27,863	1,260	2,545	63,298
Interest paid	1,348	-	1,348	1,866	3,214	-	408	3,217	6,839
Operating supplies and expense	62,511	-	62,511	89,424	151,935	153,674	46,877	13,054	365,540
Other bad debt	-	-	-	6,249	6,249	5,508	24,255	467	36,479
Total operating expenses	162,011	-	162,011	280,787	442,798	554,957	89,193	35,184	1,122,132
Total expenses	1,158,782	-	1,158,752	1,050,236	2,208,988	2,636,239	195,088	242,606	5,282,921
Less distributed indirect cost									
Other support cost	-	-	-	-	-	195,088	(195,088)	-	-
Administration	-	-	-	-	-	242,606	-	(242,606)	-
Total distributed indirect cost	-	-	-	-	-	242,606	(195,088)	(242,606)	-
Total actual expenses	\$ 1,158,782	\$ -	\$ 1,158,752	\$ 1,050,236	\$ 2,208,988	\$ 2,636,239	\$ -	\$ -	\$ 5,282,921

See independent auditor's report.