

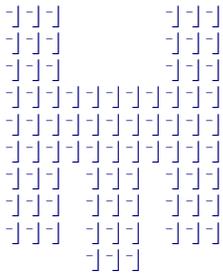
**ADOPT-A-FAMILY  
OF THE PALM BEACHES, INC.**

**REPORT ON AUDIT OF  
FINANCIAL STATEMENTS**

**For The Year Ended June 30, 2012  
(with comparable totals for 2011)**

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# Holyfield & Thomas, LLC

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Adopt-A-Family of the  
Palm Beaches, Inc.  
Lake Worth, Florida

We have audited the accompanying statement of financial position of Adopt-A-Family of the Palm Beaches, Inc. (a nonprofit organization) as of June 30, 2012, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of Adopt-A-Family of the Palm Beaches, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Adopt-A-Family of the Palm Beaches, Inc.'s 2011 financial statements, and in our report dated November 4, 2011, we expressed an unqualified opinion on those financial statements.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Adopt-A-Family of the Palm Beaches, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Adopt-A-Family of the Palm Beaches, Inc. as of June 30, 2012, and the changes in its net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2013, on our consideration of Adopt-A-Family of the Palm Beaches, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Adopt-A-Family of the Palm Beaches, Inc. as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. In addition, the schedule of program expenses is presented for purposes of additional analysis, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of program expenses are the responsibility of management and were derived from and relate 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

*Holyfield & Thomas, LLC*

West Palm Beach, Florida  
March 6, 2013

**ADOPT-A-FAMILY  
OF THE PALM BEACHES, INC.**

**STATEMENT OF FINANCIAL POSITION**

***As of June 30, 2012***

***(with comparable totals for 2011)***

ASSETS	2012	2011
Current assets:		
Cash and cash equivalents - unrestricted	\$ 242,711	\$ 302,060
Cash and cash equivalents - restricted	162,953	56,978
Grants and allocations receivable	393,274	384,727
Contributions receivable, net	17,036	10,651
Employee loans receivable	15,600	600
Prepaid expenses	52,861	55,324
Total current assets	884,435	810,340
Other assets	6,768	6,768
Property and equipment, net	2,839,777	2,997,100
Neighborhood stabilization program	2,778,702	1,724,082
Community land trust program, net	2,024,634	2,096,940
Total assets	\$ 8,534,316	\$ 7,635,230
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 99,823	\$ 48,245
Accrued expenses	74,360	61,883
Refundable advances	-	154,140
Resident deposits and escrow accounts	75,931	49,328
Line of credit	350,000	350,000
Current portion of obligation under capital lease	18,150	19,800
Current portion of loans payable	9,334	21,625
Total current liabilities	627,598	705,021
Non-current liabilities:		
Obligation under capital lease	51,150	70,950
Loans payable	207,800	574,836
Total liabilities	886,548	1,350,807
Net assets:		
Unrestricted:		
Equity in fixed assets	2,553,343	2,309,889
Equity in community land trust program	1,674,634	1,746,940
Designated for contingencies	80,000	80,000
Undesignated	411,618	275,818
Total unrestricted	4,719,595	4,412,647
Temporarily restricted	2,928,173	1,871,776
Total net assets	7,647,768	6,284,423
Total liabilities and net assets	\$ 8,534,316	\$ 7,635,230

*See accompanying notes to financial statements.*

**ADOPT-A-FAMILY  
OF THE PALM BEACHES, INC.**

**STATEMENT OF ACTIVITIES**

*For the Year Ended June 30, 2012*

*(with comparable totals for 2011)*

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2012 Totals</u>	<u>2011 Totals</u>
Support and revenue:				
Grants and donations:				
Governmental grants	\$ 1,906,453	\$ 3,877,283	\$ 5,783,736	\$ 3,865,388
United Way allocations	-	425,412	425,412	619,831
Contributions	331,738	235,825	567,563	455,311
In-kind donations	40,182	-	40,182	36,583
Total grants and donations	<u>2,278,373</u>	<u>4,538,520</u>	<u>6,816,893</u>	<u>4,977,113</u>
Special events	526,291	20,885	547,176	595,188
Rents	247,255	-	247,255	204,089
Other Income	15,410	-	15,410	33,280
Investment Income	367	-	367	672
Total support and revenue	<u>3,067,696</u>	<u>4,559,405</u>	<u>7,627,101</u>	<u>5,810,342</u>
Net assets released from restriction	<u>3,503,008</u>	<u>(3,503,008)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program services	5,623,262	-	5,623,262	3,855,358
General and administrative	221,095	-	221,095	228,209
Fundraising	419,399	-	419,399	392,723
Total expenses	<u>6,263,756</u>	<u>-</u>	<u>6,263,756</u>	<u>4,476,290</u>
Change in net assets	306,948	1,056,397	1,363,345	1,334,052
Net assets, beginning of year	<u>4,412,647</u>	<u>1,871,776</u>	<u>6,284,423</u>	<u>4,950,371</u>
Net assets, end of year	<u>\$ 4,719,595</u>	<u>\$ 2,928,173</u>	<u>\$ 7,647,768</u>	<u>\$ 6,284,423</u>

*See accompanying notes to financial statements.*

**ADOPT-A-FAMILY  
OF THE PALM BEACHES, INC.**

**STATEMENT OF CASH FLOWS**

*For the Year Ended June 30, 2012*

*(with comparable totals for 2011)*

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from grants and donations	\$ 2,489,859	\$ 3,251,600
Cash received from special events	392,965	440,624
Cash received from rents	247,255	204,089
Cash paid to suppliers and employees	(3,171,201)	(4,056,332)
Investment and other income received	15,777	33,952
Interest expense paid	<u>(25,511)</u>	<u>(20,540)</u>
Net cash used in operating activities	<u>(50,856)</u>	<u>(146,607)</u>
Cash flows from investing activities:		
Proceeds from sale of property under the Neighborhood stabilization program	186,589	-
Purchase of property and equipment	(72,385)	(21,077)
Advances to employee	(20,000)	(4,000)
Receipt from employee	<u>5,000</u>	<u>3,400</u>
Net cash provided by (used in) investing activities	<u>99,204</u>	<u>(21,677)</u>
Cash flows from financing activities:		
Net advances from line of credit	-	155,000
Change in resident deposits and escrow accounts	26,603	(3,332)
Principal payments on obligation under capital lease	(21,450)	(13,200)
Principal payments of loans payable	<u>(6,875)</u>	<u>(6,875)</u>
Net cash provided by (used in) financing activities	<u>(1,722)</u>	<u>131,593</u>
Change in cash and cash equivalents	46,626	(36,691)
Cash and cash equivalents, beginning	<u>359,038</u>	<u>395,729</u>
Cash and cash equivalents, ending	405,664	359,038
Cash and cash equivalents - restricted	<u>(162,953)</u>	<u>(56,978)</u>
Cash and cash equivalents - unrestricted	<u>\$ 242,711</u>	<u>\$ 302,060</u>

*See accompanying notes to financial statements.*

**ADOPT-A-FAMILY  
OF THE PALM BEACHES, INC.**

**STATEMENT OF CASH FLOWS**

*For the Year Ended June 30, 2012*

*(with comparable totals for 2011)*

	<u>2012</u>	<u>2011</u>
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	\$ 1,363,345	\$ 1,334,052
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	302,014	304,729
Bad debt expense	11,681	-
Forgiveness of loan payable (Palm Beach County)	(372,452)	-
Neighborhood stabilization program:		
Property contributed	(3,727,668)	(1,724,082)
Property adjustment to fair value	2,486,459	-
(Increase) decrease in certain assets:		
Grants and allocations receivable	(10,816)	81,736
Contributions receivable	(15,797)	12,062
Prepaid expenses	2,463	(10,238)
Increase (decrease) in certain liabilities:		
Accounts payable	51,578	(95,680)
Accrued expenses	12,477	9,460
Refundable advances	(154,140)	(58,646)
Net cash used in operating activities	<u>\$ (50,856)</u>	<u>\$ (146,607)</u>

*See accompanying notes to financial statements.*

**ADOPT-A-FAMILY  
OF THE PALM BEACHES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

***For the Year Ended June 30, 2012***

***(with comparable totals for 2011)***

	Program Services	Management and General	Fundraising	2012 Totals	2011 Totals
Salaries	\$ 1,001,332	\$ 112,688	\$ 175,210	\$ 1,289,230	\$ 1,388,463
Employee benefits	160,695	16,792	20,485	197,972	219,924
Payroll taxes	94,273	9,481	13,763	117,517	127,168
	<u>1,256,300</u>	<u>138,961</u>	<u>209,458</u>	<u>1,604,719</u>	<u>1,735,555</u>
Advertising and recruitment	598	-	-	598	6,172
Building maintenance	97,147	6,411	1,600	105,158	72,657
Direct fundraising costs	-	-	154,211	154,211	154,564
Equipment rental	1,201	2,119	-	3,320	1,992
Food service	16,564	864	-	17,428	20,848
Insurance expense	86,391	8,306	10,902	105,599	103,528
Interest expense	11,564	13,947	-	25,511	20,540
Membership dues	1,917	894	2,834	5,645	3,698
Office supplies	11,972	1,823	2,189	15,984	22,219
Other expenses	2,081	22,283	225	24,589	12,117
Postage	2,090	218	576	2,884	4,668
Printing	1,113	47	173	1,333	692
Professional fees	71,405	7,980	14,307	93,692	87,103
Program supplies	5,776	-	-	5,776	6,075
Property and sales tax	13,381	3,022	-	16,403	15,822
Rent	1,085	268	-	1,353	4,284
Specific assistance	3,587,499	64	9,282	3,596,845	1,704,699
Telephone	24,481	4,270	5,425	34,176	33,407
Training and development	9,140	1,738	203	11,081	12,217
Travel and transportation	17,552	580	1,180	19,312	26,246
Utilities	109,424	2,669	4,032	116,125	122,458
	<u>5,328,681</u>	<u>216,464</u>	<u>416,597</u>	<u>5,961,742</u>	<u>4,171,561</u>
Depreciation	294,581	4,631	2,802	302,014	304,729
Total expenses	<u>\$ 5,623,262</u>	<u>\$ 221,095</u>	<u>\$ 419,399</u>	<u>\$ 6,263,756</u>	<u>\$ 4,476,290</u>

*See accompanying notes to financial statements.*

*For The Year Ended June 30, 2012*

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1. **Business and Summary of Significant Accounting Policies**

*Organization*

Adopt-A-Family of the Palm Beaches, Inc. (the "Organization") was incorporated in November 1984, as a not-for-profit corporation under Florida law. The Organization is a non-profit 501(c)(3) organization dedicated to restoring families in crisis to stability and self-sufficiency by providing access to all-encompassing services to families and their children. Some of the programs offered by the Organization include:

*Project UpLift*

The Project UpLift program provides short-term (up to three months) assistance to families with children who are at risk of homelessness. The program targets families who are experiencing a situational crisis such as a job layoff, unemployment, illness or divorce. Those entering the program are taught problem-solving skills and how to find solutions for problems based on available identifiable resources.

*Project S.A.F.E. (Stable, Able, Family Environment)*

The Project S.A.F.E. program provides transitional housing and support services (for up to 24 months) to homeless families and their children. Support services provided for each family include budgeting, case management, job training, daycare assistance, support groups, family and individual counseling and an after-school/out-of-school program for school-aged children.

*A Place Called Home (P.C.H.)*

A Place Called Home is a permanent housing program for persons with disabilities. Families are placed in houses or apartments located in Lake Worth, Florida. The program enables special needs families to live as independently as possible. Families receive intensive in-home case management and supportive services. There are eight families being served by the program.

*Family Empowerment Coalition*

The Family Empowerment program links families who are experiencing financial difficulties through no fault of their own with "adopters" such as businesses, service clubs, churches and private individuals who support the family emotionally and assist financially for a period of one year. During the one-year period, the families complete Family Action Plans, developed with their caseworkers, which lead to self-sufficiency.

*Service Enriched Housing (S.E.H.)*

The Service Enriched Housing program offers housing to low-income, working-poor families who wish to move into home ownership within two years. The program offers a credit repair plan, first time homebuyers' classes and support services. Rent is calculated based at 30% of the family's gross income, and any additional amount paid above \$400 is placed in escrow to be used for a credit repair or home ownership when they leave the Adopt-A-Family program.

*For The Year Ended June 30, 2012*

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1. **Business and Summary of Significant Accounting Policies, continued**

*Organization, continued*

*Project GROW*

Project GROW is an after-school and out-of-school program for children who reside at Project S.A.F.E. and Service Enriched Housing with the primary goal to bring their education and skill levels up to par with their peers. In addition, this program also teaches emotional, cultural and social skills while providing a safe haven to children who have had none.

*Rapid Re-Housing*

Rapid Re-Housing is a federally funded program under Title XII of the American Recovery and Reinvestment Act of 2009 ("ARRA"). The goal is to assist persons experiencing homelessness to be quickly re-housed and stabilized. Priority is given to households residing in Emergency Shelters and Transitional Housing. A key goal for Rapid Re-Housing is to shorten the length of stay in a shelter. Homeless housing providers identify individuals and families that can benefit from this program. These households are: homeless employed or have other source of income to sustain, earning less than 50% of Area Median Income and not in need of Permanent Supportive Housing. Individuals and families entering the program immediately begin working with a Housing Specialist in an effort to identify safe, affordable housing. Participants work closely with a Family Advocate who helps identify any barriers to sustaining housing

*Bridges Program*

The Bridges Program, which began in 2008, combines the goal of providing universal access to services with the idea of "one-stop-shopping" by providing families access to all the services they need at a much faster rate. Service recipients are assigned a case manager who oversees and coordinates all care. The program focuses on assisting each client to achieve greater independence and self-sufficiency while promoting the health and well-being of the client and family. Bridges is a collaborative effort of several not-for-profit, governmental, and healthcare agencies and services for residents of Palm Beach County.

*Community Land Trust Program (CLT)*

The Organization is operating a Community Land Trust program, which holds real estate for the purpose of making housing available to residents who cannot otherwise afford it while providing benefits to the local community. The land is held permanently by the Organization to ensure perpetual affordability; however, the homes are owned by those who live in them (See Note 5).

*Neighborhood Stabilization Program 2 (NSP2)*

The Neighborhood Stabilization Program 2 (NSP2) was established to stabilize neighborhoods whose viability has been and continues to be damaged by the economic effects of properties that have been foreclosed upon and abandoned. The Organization, in conjunction with the Lake Worth Community Redevelopment Agency (CRA) and other consortium partners, will be purchasing and rehabilitating 50 units of foreclosed properties within Lake Worth, and renting/selling the homes to income-qualified households.

*For The Year Ended June 30, 2012*

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1. **Business and Summary of Significant Accounting Policies, continued**

*Basis of Accounting*

The 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. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

*Financial Statement Presentation*

The Organization has adopted FASB Accounting Standard Codification (FASB ASC) 958-205. Under the standard, the Organization is required to report information regarding its activities according to three classifications of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows.

The following paragraphs describe the three classes of net assets:

Unrestricted Net Assets: 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 or by law) are included in the unrestricted by class.

Temporarily Restricted Net Assets: this classification includes those net assets whose use by the Organization has been limited by donors to either later periods of time, or after specified dates, or for a specified purpose.

Permanently Restricted Net Assets: this classification includes those net assets that must be maintained by the Organization in perpetuity. Permanently restricted net assets increase when the Organization receives contributions for which donor-imposed restrictions limiting the Organization's use of an asset or its economic benefits neither expire with the passage of time nor can be removed by the Organization meeting certain requirements. The Organization had no permanently restricted net assets as of June 30, 2012.

*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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

*Comparative Financial Statement 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 Organization's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

*For The Year Ended June 30, 2012*

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1. **Business and Summary of Significant Accounting Policies, continued**

*Cash and Cash Equivalents*

Cash and cash equivalents include checking, savings, money market accounts, and petty cash. The Organization also considers short-term investments with a maturity of three months or less when purchased to be cash equivalents.

*Grants and Allocations Receivable*

Grants receivable are recorded when services have been rendered and the granting authority has been billed. If events or changes in circumstances indicate that specific receivable balances may be disallowed by the granting authority, the receivable balances are written-off as an operating expense. Allocations receivable that are unconditional are recorded at the time of receipt.

*Promises to Give*

Unconditional promises to give are recognized as support in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give noncash assets that are expected to be received in future years are recorded at the present value of the expected fair value of the underlying noncash assets expected to be received. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Any changes in the expected fair value of underlying noncash assets are reported as increases and decreases in contribution revenue in the period the change occurs. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

*Property and Equipment*

Acquisitions of property and equipment in excess of \$1,500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of the donation. Donations of property and equipment are recorded as support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful life of the assets, ranging from 3 to 39 years.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

*Resident Deposits and Escrow Accounts*

In connection with its various housing programs, the Organization receives and maintains deposits on rent and escrow funds for residents to be later returned to them or recorded as revenue.

*For The Year Ended June 30, 2012*

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1. **Business and Summary of Significant Accounting Policies, continued**

*Accrued Absences*

Employees may accumulate unused vacation based upon the length of service. All accumulated vacation is payable to eligible employees upon termination or retirement at the current rate of pay, if employed more than 90 days. Accumulated unpaid vacation is accrued as a liability and charged to expense as incurred.

*Refundable Advances*

The Organization has reimbursement arrangements with various grantors whereby the Organization receives funds ahead of the expenditure. 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 Organization receives various grants from federal, 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 temporarily restricted revenue or refundable allowance, as applicable.

Grants which are not awarded on a cost reimbursement basis are recorded as support in the year for which the grant was awarded and in which the conditions to the grant are met.

*Support and Revenue*

Support is recognized as an increase in net assets when promised, and revenue is recognized when earned.

*In-Kind Donations*

The Organization records various types of in-kind support including contributed professional services and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The total amount of donated goods during the year ended June 30, 2012, amounted to \$40,182. This amount is recognized as both revenue, under the caption of in-kind donations, and as various expenses in the Statement of Activities and Statement of Functional Expenses. There were no significant contributions of professional services for the year ended June 30, 2012.

In addition, the Organization relies on volunteers who donate significant time in the advancement of its goals; however, such services do not meet the criteria for financial statement recognition and are therefore not included herein.

*For The Year Ended June 30, 2012*

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1. **Business and Summary of Significant Accounting Policies, continued**

*Expense Allocation*

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Office expenses include expenditures such as office supplies, postage, rent and telephone.

*Advertising Costs*

Advertising costs are charged to operations when incurred. There were no significant advertising expenses for the year ended June 30, 2012.

*Income Taxes*

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an Organization other than a private foundation under Section 509(a)(1).

The Organization follows FASB ASC 740-10-00, "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. The Organization has not accrue any interest expense or penalties related to tax positions for the year ended June 30, 2012, and there are currently no open Federal or State tax years under audit.

2. **Grants and Allocations Receivable**

A summary of grants and allocations receivable as of June 30, 2012 is as follows:

Palm Beach County	\$ 106,357
Family Central	14,393
Housing and Urban Development (HUD)	98,570
Town of Palm Beach United Way	135,247
Lake Worth CRA (NSP2)	<u>38,707</u>
Total grants and allocations receivable	<u>\$ 393,274</u>

Management believes that grants and allocation receivable are fully collectible in less than one year and, therefore, no allowance for uncollectible loans was considered necessary.

*For The Year Ended June 30, 2012*

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**3. Contributions Receivable**

Contributions are recognized in the period an unconditional promise to give is received. Contributions receivable are recorded at face value if due in less than one year, or at net realizable value, discounted as appropriate to reflect the estimated timing of receipt for contributions, if due more than one year after the date of receipt. As of June 30, 2012 all remaining balances are expected to be collected in less than one year. The allowance for uncollectible contributions receivable is determined based on management's estimate of what will be collected. The following is a summary of contributions receivable as of June 30, 2012:

Contributions receivable	\$ 22,736
Allowance for uncollectible amounts	<u>(5,700)</u>
Net contributions receivable	<u>\$ 17,036</u>

**4. Employee Loans Receivable**

Employee loans receivable consists of advances made to employees. As permitted by the Organization's current policy, these advances are unsecured, with no stated interest rate, and are repaid through payroll deduction. Repayment in full is required with separation of service. Management believes that these loans are fully collectible and, therefore, no allowance for uncollectible loans is considered necessary.

**5. Property and Equipment**

Details of the Organization's property and equipment as of June 30, 2012, are as follows:

Land	\$ 589,199
Buildings	3,884,673
Building improvements	121,092
Equipment	423,772
Equipment under capital lease	103,950
Motor vehicles	<u>131,269</u>
	5,253,955
Less accumulated depreciation	<u>2,414,178</u>
Net property and equipment	<u>\$ 2,839,777</u>

**6. Community Land Trust Program**

The Organization is operating a Community Land Trust program (CLT) that was established in order to make housing available to residents who cannot otherwise afford it while providing benefits to the local community. The land is held permanently by the Organization to ensure perpetual affordability; however, the homes are owned by those who live in them.

*For The Year Ended June 30, 2012*

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**6. Community Land Trust Program, continued**

When the Organization sells a home, it leases the underlying land to the homeowners through a long-term (i.e., 99-year) renewable lease, and retains a right of first refusal to buy back the building.

During 2006, the Organization received a lot donated by the City of Lake Worth located at 505 North K Street. During the current year, the Organization completed the construction of a single-family residence at a total cost of \$196,454.

During 2007, the Organization received another lot donated by the City of Lake Worth located at 1715 3rd Ave North. The lot is currently vacant.

During 2009, the Organization completed the construction of a nine-unit apartment complex located at 1736 2<sup>nd</sup> Avenue, which was added to the CLT. The construction was partially funded by a Homeless Assistance Housing Grant, which requires that the units be reserved for homeless use for a minimum of ten years from the time of occupancy.

The unrestricted net assets designated for the CLT as of June 30, 2012, consisted of the following:

Land	\$ 296,669
Building	<u>1,968,238</u>
	2,264,907
Less accumulated depreciation	<u>240,273</u>
Total designated for CLT	<u>\$ 2,024,634</u>

**7. Neighborhood Stabilization Program 2 (NSP2)**

The Organization, in partnership with the Lake Worth Community Redevelopment Agency, (CRA) is one of only 56 awardees of the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program 2 (NSP2) national grant competition.

Since 2011, the Organization has been purchasing and rehabilitating up to 50 units of foreclosed properties within Lake Worth, and renting/selling the homes to income-qualified households. All these units will be held in perpetuity by the Organization to maintain affordability. Homebuyers who purchase through the NSP2 Program may be eligible for financing and subsidy assistance, and will also be offered supportive services through the Organization.

The NSP2 program will enhance the Organization's housing stock significantly, and increase the total number of affordable housing units operated by the agency to 136.

*For The Year Ended June 30, 2012*

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**7. Neighborhood Stabilization Program 2 (NSP2), continued**

During the year ended June 30, 2012, the Organization received 13 properties from the CRA. The total cost of the properties reported to the Organization by the CRA during the year amounted to \$3,727,668. This amount included the acquisition cost of properties transferred to the Organization during the year and improvement cost on properties received since 2011.

The Organization also recorded a valuation adjustment during the current year for the properties owned under the NSP2 program. Properties classified as available for sale were evaluated for impairment as of June 30, 2012, and adjusted to their estimated fair value. Rental properties, which are reported at lower of cost of market, were also adjusted to fair value as of June 30, 2012. The total adjustment made during the year amounted to \$2,486,459, and is recognized as an expense within the caption specific assistance in the Statement of Functional Expenses.

In addition, during the year ended June 30, 2012, the Organization sold three properties owned under the NSP2 program for a total of \$186,589. No gain or loss was recognized on these sales.

Properties owned under the NSP2 program as of June 30, 2012, consisted of the following:

Available for sale (14 units)	\$ 906,412
Rental properties (11 units)	<u>1,872,290</u>
	<u>\$ 2,778,702</u>

**8. Line of Credit**

The Organization has a \$350,000 line of credit with PNC Bank (Bank) that is collateralized by land, buildings, and improvements at 1712 2<sup>nd</sup> Avenue and 1717 3<sup>rd</sup> Avenue North. Interest is paid monthly at the Bank's prime rate plus .25%, which was 3.25% as of June 30, 2012. The amount outstanding under the line of credit as of June 30, 2012 was \$350,000.

**9. Capital Lease**

The Organization leases certain equipment under a capital lease that expires in January 2016. The assets and liabilities under the capital lease were recorded at the lower of the present value of minimum lease payments or the fair value of the assets. The assets were amortized over the lower of their lease terms or their estimated useful lives. Amortization of equipment under capital lease is included in depreciation expense in the accompanying financial statements. Depreciation of assets under capital leases charged to expense during the year ended June 30, 2012 was \$20,790.

*For The Year Ended June 30, 2012*

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**9. Capital Lease, continued**

Minimum future lease payments under capital lease as of June 30, 2012 for each of the next five years and in the aggregate are:

<u>Year</u>	<u>Amount</u>
2013	\$ 18,150
2014	19,800
2015	19,800
2016	<u>11,550</u>
Total obligation under capital lease	69,300
Less current portion	<u>18,150</u>
Long-term portion	<u>\$ 51,150</u>

**10. Loans Payable**

The following is a schedule of the Organization's loans payable:

Mortgage note payable to PNC Bank with interest rate adjusted annually, 5.95% as of June 30, 2012. The note requires monthly payments of principal and interest until June 30, 2028.	217,134
Less current portion	<u>9,334</u>
Long-term portion	<u>\$ 207,800</u>

The approximate future maturities of these installment obligations are as follows:

<u>Year</u>	<u>Amount</u>
2013	\$ 9,334
2013	8,839
2014	9,380
2015	9,954
2016	10,562
Thereafter	<u>169,065</u>
	<u>\$ 217,134</u>

*For The Year Ended June 30, 2012*

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**10. Loans Payable, continued**

Palm Beach County Note

The Organization had a forgivable note payable to Palm Beach County bearing interest of 3% and payable in 180 monthly principal and interest installments of \$1,465 commencing January 1, 2001 and ending December 15, 2015. The note included a forgiveness condition upon the Organization's compliance with the terms of the Home Rental Program Assistance and Loan Agreement and continued maintenance of the property as affordable housing. During the year ended June 30, 2012, Palm Beach County provided full satisfaction of the note and removed the debt obligation of the Organization. The balance of the note payable that was forgiven during the year amounted to \$372,452, and is included as revenue under the caption governmental grants in the Statement of Activities.

**11. Restrictions on Net Assets**

Unexpended temporarily restricted net assets are restricted for the following purposes as of June 30, 2012:

Project UpLift	\$ 87,000
Project Grow	31,000
Service Enriched Housing	12,000
NSP2	2,778,702
Holiday/Season-to-Share	<u>19,471</u>
Total temporarily restricted net assets	<u>\$ 2,928,173</u>

**12. Net Assets Released from Restrictions**

Net assets were released from donor restrictions by incurring expenses or purchasing assets satisfying the restricted purposes. Satisfaction of program restrictions for the year ended June 30, 2012 are as follows:

Project UpLift	\$ 306,264
Project Safe	189,773
Project Grow	66,200
Service Enriched Housing	95,000
CLT	9,413
NSP2	2,822,663
Holiday/Season-to-Share	<u>13,695</u>
Total net assets released from restrictions	<u>\$ 3,503,008</u>

*For The Year Ended June 30, 2012*

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**13. Special Events**

The Organization sponsored several special events during the year. Special event revenues and expenses for the year ended June 30, 2012 were as follows:

	<u>Revenues</u>	<u>Direct Expenses</u>	<u>Net</u>
Tree Lighting	\$ 356,526	\$ 51,809	\$ 304,717
Season to Share	46,500	14,817	31,683
Golf Tournament	71,630	30,826	40,804
Others	<u>72,520</u>	<u>56,759</u>	<u>15,761</u>
Total	<u>\$ 547,176</u>	<u>\$ 154,211</u>	<u>\$ 392,965</u>

**14. Employee Pension Plan and Other Employee Benefits**

The Organization sponsors a salary reduction contribution plan pursuant to Section 403(b) of the Internal Revenue Code. To be eligible to participate, employees must be at least 21 years of age and have completed one year of service with a minimum of 2,000 hours in the previous year. Under the plan, employees may contribute a specified percentage of their salary or a fixed dollar amount to the plan. The Organization contributes 2% of an eligible employee's annual salary to the plan. The Organization's contributions to the plan for the year ended June 30, 2012 was \$22,198.

**15. Concentrations**

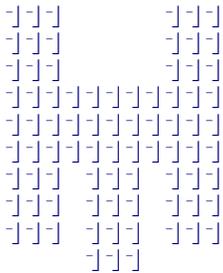
The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2012, there were no uninsured deposits held in bank. The Organization has not experienced any losses on such accounts and management believes the Organization is not exposed to any significant credit risk arising from such balances.

**16. Related Party Transactions**

During the year ended June 30, 2012, the Organization advanced \$20,000 in loans to two of its officers. These loans, which are unsecured and have no stated interest rate, are being re-paid through payroll deduction, and have an outstanding balance of \$15,600 as of June 30, 2012.

**17. Subsequent Events**

Management has evaluated subsequent events through March 6, 2012, the date on which the financial statements were available to be issued, and determined there were no events to disclose in these financial statements.



# Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

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## 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  
Adopt-A-Family of the  
Palm Beaches, Inc.  
Lake Worth, Florida

We have audited the financial statements of Adopt-A-Family of the Palm Beaches, Inc., as of and for the year ended June 30, 2012, and have issued our report thereon dated March 6, 2013. 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.

### ***Internal Control Over Financial Reporting***

Management of Adopt-A-Family of the Palm Beaches, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Adopt-A-Family of the Palm Beaches, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures 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 Adopt-A-Family of the Palm Beaches, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Adopt-A-Family of the Palm Beaches, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs, item 2012-01, to be a significant deficiency.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Adopt-A-Family of the Palm Beaches, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

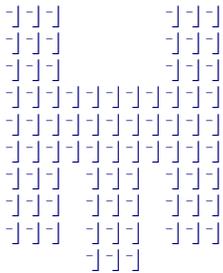
We noted certain matters that we reported to management of Adopt-A-Family of the Palm Beaches, Inc. in a separate letter dated March 6, 2013.

Adopt-A-Family of the Palm Beaches, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Adopt-A-Family of the Palm Beaches, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of directors, management and federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Holyfield & Thomas, LLC*

West Palm Beach, Florida  
March 6, 2013



# Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

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## REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of  
Adopt-A-Family of the  
Palm Beaches, Inc.  
Lake Worth, Florida

### Compliance

We have audited the compliance of Adopt-A-Family of the Palm Beaches, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2012. Adopt-A-Family of the Palm Beaches, Inc.'s major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Adopt-A-Family of the Palm Beaches, Inc.'s management. Our responsibility is to express an opinion on Adopt-A-Family of the Palm Beaches, Inc.'s compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Adopt-A-Family of the Palm Beaches, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Adopt-A-Family of the Palm Beaches, Inc.'s compliance with those requirements.

In our opinion, Adopt-A-Family of the Palm Beaches, Inc. complied, in all material respects, with the 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, 2012.

### ***Internal Control Over Compliance***

Management of Adopt-A-Family of the Palm Beaches, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Adopt-A-Family of the Palm Beaches, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Adopt-A-Family of the Palm Beaches, Inc.'s 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors, management and federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Holyfield & Thomas, LLC*

West Palm Beach, Florida  
March 6, 2013

For The Year Ended June 30, 2012

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

*Financial Statements*

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to 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?	No
Type of auditor’s report issued on compliance on major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No
Major programs:	
CFDA Number(s)	14.256
Name of Federal Program or Cluster:	U.S. Department of Housing and Urban Development - Office of the Secretary Neighborhood Stabilization Program (ARRA)
Major programs:	
CFDA Number(s)	14.257
Name of Federal Program or Cluster:	U.S. Department of Housing and Urban Development - Office of the Secretary Homelessness Prevention and Rapid Re-housing Program (ARRA)
Dollar Threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as a low-risk auditee?	No

*For The Year Ended June 30, 2012*

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

<b><i>Finding</i></b>	<b><i>2012-01 Grants Receivable Reconciliation – Significant Deficiency</i></b>
<b><i>Criteria</i></b>	A subsidiary of grants and allocations receivable should be periodically reviewed and reconciled to the accounting records.
<b><i>Condition</i></b>	In connection with staff turnover in the accounting department during the year, combined with a significant increase in the accounting and reporting of the NSP2 program, the Organization encountered a situation where management was not able to reconcile or fully monitor the grants receivable account on a recurring basis.
<b><i>Cause</i></b>	Since the grants receivable account was not being reconciled on a routine basis, management was not able to detect that the collection of various payments were being recorded as accounts payable instead of as a reduction of receivables. Also, some grants that were originally recorded based on estimated figures, were not adjusted to the actual balance, and some expenditures related to various programs were not recorded as expenses.
<b><i>Effect</i></b>	As a result of this finding, the grants receivable account was overstated by approximately \$232,000 and accounts payable was overstated by approximately \$227,000. The correction of these errors resulted in the recognition of additional income of \$37,000 and additional expenditures of \$42,000.
<b><i>Recommendation</i></b>	We recommend that management implement procedures to reconcile and monitor its grants receivable on a monthly basis and make any corrections deemed necessary in a timely manner.
<b><i>Management's response</i></b>	Management agrees with the finding and has since hired appropriate staff and otherwise implemented procedures to properly reconcile and monitor its grants receivable.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There are no findings or questioned costs reported for the year ended June 30, 2012.

**PRIOR YEAR FINDINGS**

There were no prior audit findings for the year ended June 30, 2011, relative to federal awards requiring action on the part of the auditee for that fiscal year.



# ADOPT-A-FAMILY of the Palm Beaches, Inc.

*Leaders in helping families help themselves.*

## **CORRECTIVE ACTION PLAN For the Year Ended June 30, 2012**

U.S. Department of Housing and Urban Development

Adopt-A-Family of the Palm Beaches, Inc. respectfully submits the following corrective action plan for the year ended June 30, 2012.

Name and address of independent public accounting firm:

Holyfield & Thomas, LLC  
125 Butler Street  
West Palm Beach, FL 33407-6105

Audit period: June 30, 2012

The findings from the June 30, 2012 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS—FINANCIAL STATEMENT AUDIT**

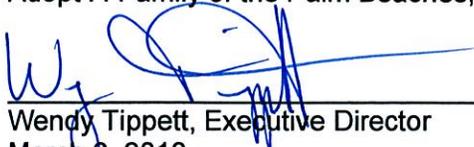
#### **2012-01 Grants Receivable Reconciliation – Significant Deficiency**

*Recommendation:* The auditors recommend that management implement procedures to reconcile and monitor grants receivable on a monthly basis and make any corrections deemed necessary in a timely manner.

*Action Taken:* We concur with the recommendation, and have since hired appropriate staff and otherwise implemented procedures to properly reconcile and monitor grants receivable.

If the Department of Housing and Urban Development and Department of Homeland Security have questions regarding this plan, please call Wendy Tippett, Executive Director at (561) 253-1361.

Sincerely yours,  
Adopt-A-Family of the Palm Beaches, Inc.

  
\_\_\_\_\_  
Wendy Tippett, Executive Director  
March 6, 2013



1712 Second Avenue North, Lake Worth, FL 33460-3210  
Phone: (561) 253-1361 Fax: (561) 253-1370  
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*Please consider Adopt-A-Family in your will, and be sure to let us know.*

**SUPPLEMENTARY  
INFORMATION**

**ADOPT-A-FAMILY  
OF THE PALM BEACHES, INC.**

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

*For the Year Ended June 30, 2012*

<u>Federal Grantor/Pass-Through Grantor Grantor/Program or Cluster Title</u>	<u>CFDA Number / Award Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development - Office of Community Planning and Development		
Supportive Housing Program	14.235 /	
Project SAFE II	FL0288B4D051104	\$ 203,500
Bridges to Success	FL0275B4D051103	221,335
A Place Called Home	FL0393B4D051000	134,585
Passed through from Palm Beach County Housing and Community Development:		
Emergency Shelter Grants Program	14.231 /	
	R2010-1674	15,910
	R2011-2030	16,198
U.S. Department of Housing and Urban Development - Office of the Secretary		
Passed through from Palm Beach County Department of Community Services:		
Homelessness Prevention and Rapid Re-housing Program (ARRA)	14.257 / R2009-0799	486,414
Passed through from City of Lake Worth Community Redevelopment Agency		
Neighborhood Stabilization Program (ARRA)	14.256 / B-9-CN-FL-0019	3,877,284
Total federal expenditures		<u>\$ 4,955,226</u>

*See independent auditor's report and accompanying notes to  
Schedule of Expenditures of Federal Awards.*

*For The Year Ended June 30, 2012*

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1. **Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Adopt-A-Family of the Palm Beaches, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

*See independent auditor's report.*

**ADOPT-A-FAMILY  
OF THE PALM BEACHES, INC.**

***For the Year Ended June 30, 2012***

	Project Grow	A Place Called Home	Project Safe	Service Enriched Housing	Project Uplift
Salaries	\$ 191,313	\$ 28,600	\$ 203,461	\$ 137,208	\$ 170,154
Employee benefit	31,699	4,296	32,388	20,106	28,928
Payroll taxes	19,069	2,595	17,641	11,490	14,993
	<u>242,081</u>	<u>35,491</u>	<u>253,490</u>	<u>168,804</u>	<u>214,075</u>
Advertising and recruitment	-	-	598	-	-
Building maintenance	7,445	186	56,464	24,560	2,067
Equipment rental	-	-	321	-	-
Food service	5,555	-	-	-	11,009
Insurance expense	15,992	157	19,591	12,521	12,520
Interest	-	-	-	1,896	-
Membership dues	102	-	398	372	354
Office supplies	2,715	26	2,002	1,333	1,501
Other expenses	327	-	405	790	-
Postage	394	-	422	273	343
Printing	93	-	100	65	81
Professional fees	13,029	369	14,982	9,033	11,464
Program supplies	5,776	-	-	-	-
Property and sales tax	236	-	7,194	5,586	-
Rent	-	-	407	407	271
Specific assistance	-	82,657	48,691	743	304,176
Telephone	2,792	-	5,549	4,336	3,130
Training and development	5,536	25	262	177	257
Travel and transportation	956	-	5,531	5,010	2,788
Utilities	5,314	29	38,409	48,953	5,543
	<u>308,343</u>	<u>118,940</u>	<u>454,816</u>	<u>284,859</u>	<u>569,579</u>
Depreciation	10,798	-	75,995	57,346	8,591
Total expenses	<u>\$ 319,141</u>	<u>\$ 118,940</u>	<u>\$ 530,811</u>	<u>\$ 342,205</u>	<u>\$ 578,170</u>

*See independent auditor's report.*

**SCHEDULE OF  
PROGRAM EXPENSES**

Family Empowerment Coalition	Bridges Program	Community Land Trust Program	Rapid Rehousing	NSP2	Total Program Expenses
\$ -	\$ -	\$ -	\$ 180,086	\$ 90,510	\$ 1,001,332
-	-	-	29,654	13,624	160,695
-	-	-	15,149	13,336	94,273
-	-	-	224,889	117,470	1,256,300
-	-	-	-	-	598
4	-	320	2,786	3,315	97,147
-	-	-	880	-	1,201
-	-	-	-	-	16,564
-	-	-	17,525	8,085	86,391
-	-	9,668	-	-	11,564
-	-	100	409	182	1,917
-	-	-	3,432	963	11,972
-	-	112	-	447	2,081
-	-	-	497	161	2,090
-	262	-	118	394	1,113
44	-	54	15,844	6,586	71,405
-	-	-	-	-	5,776
-	-	365	-	-	13,381
-	-	-	-	-	1,085
17,410	201,582	-	259,193	2,673,047	3,587,499
-	-	10	4,614	4,050	24,481
-	-	-	2,603	280	9,140
-	-	-	2,368	899	17,552
-	-	-	6,707	4,469	109,424
17,458	201,844	10,629	541,865	2,820,348	5,328,681
-	-	130,356	11,495	-	294,581
<b>\$ 17,458</b>	<b>\$ 201,844</b>	<b>\$ 140,985</b>	<b>\$ 553,360</b>	<b>\$ 2,820,348</b>	<b>\$ 5,623,262</b>

*See independent auditor's report.*