

**2-1-1 BREVARD, INC.  
FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 AND 2020**

**2-1-1 BREVARD, INC.  
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YEARS ENDED JUNE 30, 2021 AND 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
2-1-1 Brevard, Inc.

I have audited the accompanying financial statements of 2-1-1 Brevard, Inc., (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Board of Directors  
2-1-1 Brevard, Inc.  
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### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 2-1-1 Brevard, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of state earnings and cost center actual expenses and revenues on pages 17-18 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Lark Janes CPA LLC*

Lark Janes CPA LLC  
Certified Public Accountant  
November 18, 2021

**2-1-1 BREVARD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 819,241	\$ 742,478
Investments	83,995	74,008
Accounts receivable	20,930	2,916
Grants and contracts receivable	144,982	200,567
Unconditional promises to give	186,275	175,296
Prepaid expenses	54,645	44,946
<b>TOTAL CURRENT ASSETS</b>	<u>1,310,068</u>	<u>1,240,211</u>
PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$88,313 in 2021 and \$73,528 in 2020	<u>249,307</u>	<u>264,092</u>
<b>OTHER ASSETS</b>		
Intangible assets, net of accumulated amortization of \$29,078 in 2021 and \$24,078 in 2020	4,583	9,583
Deposits	80	80
<b>TOTAL OTHER ASSETS</b>	<u>4,663</u>	<u>9,663</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,564,038</u></u>	<u><u>\$ 1,513,966</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of capital lease	\$ 833	\$ 639
Current portion of note payable	-	48,194
Accounts payable	12,265	15,855
Accrued expenses	68,637	58,777
Refundable advance	-	10,603
<b>TOTAL CURRENT LIABILITIES</b>	<u>81,735</u>	<u>134,068</u>
<b>LONG TERM LIABILITIES</b>		
Capital lease, net of current portion	426	1,250
Note payable, net of current portion	-	77,300
<b>TOTAL LONG TERM LIABILITIES</b>	<u>426</u>	<u>78,550</u>
<b>TOTAL LIABILITIES</b>	<u>82,161</u>	<u>212,618</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	563,147	574,126
Designated	732,455	551,926
Total without donor restrictions	<u>1,295,602</u>	<u>1,126,052</u>
With donor restrictions	186,275	175,296
<b>TOTAL NET ASSETS</b>	<u>1,481,877</u>	<u>1,301,348</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,564,038</u></u>	<u><u>\$ 1,513,966</u></u>

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

**2-1-1 BREVARD, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>PUBLIC SUPPORT AND REVENUES</b>			
Contributions	\$ 19,061	\$ -	\$ 19,061
Federal grants	450,251	-	450,251
State grants	159,605	-	159,605
Local/other grants and contracts	316,796	-	316,796
United Way allocations and designations	17,389	186,275	203,664
Program income	73,799	-	73,799
Special event	21,684	-	21,684
Investment earnings	10,188	-	10,188
Other revenue	135,632	-	135,632
Net assets released from restrictions:			
Satisfaction of time restrictions	175,296	(175,296)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,379,701</u>	<u>10,979</u>	<u>1,390,680</u>
<b>EXPENSES</b>			
Program services			
Helpline and prevention	972,712	-	972,712
Homelessness prevention initiatives	102,396	-	102,396
Supporting services			
Management and general	123,384	-	123,384
Fundraising	11,659	-	11,659
<b>TOTAL EXPENSES AND LOSSES</b>	<u>1,210,151</u>	<u>-</u>	<u>1,210,151</u>
<b>CHANGE IN NET ASSETS</b>	169,550	10,979	180,529
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,126,052</u>	<u>175,296</u>	<u>1,301,348</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,295,602</u>	<u>\$ 186,275</u>	<u>\$ 1,481,877</u>

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

**2-1-1 BREVARD, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>PUBLIC SUPPORT AND REVENUES</b>			
Contributions	\$ 8,928	\$ -	\$ 8,928
Federal grants	211,639	-	211,639
State grants	458,913	-	458,913
Local/other grants and contracts	272,713	-	272,713
United Way allocations and designations	13,193	175,296	188,489
Program income	61,026	-	61,026
Special event	26,328	-	26,328
Investment earnings	10,339	-	10,339
Other revenue	392	-	392
Net assets released from restrictions:			
Satisfaction of time restrictions	176,797	(176,797)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,240,268</u>	<u>(1,501)</u>	<u>1,238,767</u>
<b>EXPENSES</b>			
Program services			
Helpline and prevention	847,940	-	847,940
Homelessness prevention initiatives	105,191	-	105,191
Supporting services			
Management and general	112,726	-	112,726
Fundraising	16,915	-	16,915
<b>TOTAL EXPENSES AND LOSSES</b>	<u>1,082,772</u>	<u>-</u>	<u>1,082,772</u>
<b>CHANGE IN NET ASSETS</b>	157,496	(1,501)	155,995
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>968,556</u>	<u>176,797</u>	<u>1,145,353</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,126,052</u>	<u>\$ 175,296</u>	<u>\$ 1,301,348</u>

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

**2-1-1 BREVARD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	Program Services			Support Services			Total
	Helpline and Prevention	Homeless Management Information System	Total Program Services	Management and General	Fundraising	Total Support Services	
<b>EXPENSES</b>							
Communications	\$ 34,341	\$ 3,122	\$ 37,463	\$ 3,617	\$ 165	\$ 3,782	\$ 41,245
Conferences and training	2,723	248	2,971	287	13	300	3,271
Contract payments	40,683	-	40,683	-	-	-	40,683
Dues and fees	-	-	-	650	-	650	650
Fundraising expense	-	-	-	-	7,402	7,402	7,402
Insurance	9,171	890	10,061	1,402	59	1,461	11,522
Interest and finance charges	1,012	99	1,111	155	6	161	1,272
Occupancy	10,127	982	11,109	1,549	65	1,614	12,723
Office supplies and expense	12,440	1,207	13,647	1,902	80	1,982	15,629
Personnel costs	766,166	69,660	835,826	80,702	3,681	84,383	920,209
Professional fees	5,989	10	5,999	23,207	-	23,207	29,206
Repairs and maintenance	13,172	1,277	14,449	2,014	84	2,098	16,547
Information technology expense	41,144	22,345	63,489	2,522	-	2,522	66,011
Telephone	19,299	966	20,265	2,895	-	2,895	23,160
Travel	696	63	759	74	3	77	836
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>956,963</b>	<b>100,869</b>	<b>1,057,832</b>	<b>120,976</b>	<b>11,558</b>	<b>132,534</b>	<b>1,190,366</b>
Depreciation and amortization	15,749	1,527	17,276	2,408	101	2,509	19,785
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 972,712</b>	<b>\$ 102,396</b>	<b>\$ 1,075,108</b>	<b>\$ 123,384</b>	<b>\$ 11,659</b>	<b>\$ 135,043</b>	<b>\$ 1,210,151</b>

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



**2-1-1 BREVARD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	Program Services			Support Services			Total
	Helpline and Prevention	Homeless Management Information System	Total Program Services	Management and General	Fundraising	Total Support Services	
<b>EXPENSES</b>							
Communications	\$ 21,929	\$ 1,917	\$ 23,846	\$ 2,485	\$ 108	\$ 2,593	\$ 26,439
Conferences and training	2,740	240	2,980	310	14	324	3,304
Contract payments	25,000	-	25,000	-	-	-	25,000
Dues and fees	-	-	-	1,657	-	1,657	1,657
Fundraising expense	-	-	-	-	13,014	13,014	13,014
Insurance	3,839	1,356	5,195	694	28	722	5,917
Interest and finance charges	408	144	552	73	3	76	628
Occupancy	8,596	3,036	11,632	1,553	62	1,615	13,247
Office supplies and expense	3,314	1,171	4,485	598	24	622	5,107
Personnel costs	703,485	61,493	764,978	79,730	3,478	83,208	848,186
Professional fees	934	-	934	18,348	-	18,348	19,282
Repairs and maintenance	12,507	4,418	16,925	2,258	91	2,349	19,274
Information technology expense	21,776	26,113	47,889	2,578	-	2,578	50,467
Telephone	29,691	1,115	30,806	130	-	130	30,936
Travel	2,476	216	2,692	281	12	293	2,985
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>836,695</b>	<b>101,219</b>	<b>937,914</b>	<b>110,695</b>	<b>16,834</b>	<b>127,529</b>	<b>1,065,443</b>
Depreciation and amortization	11,245	3,972	15,217	2,031	81	2,112	17,329
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 847,940</b>	<b>\$ 105,191</b>	<b>\$ 953,131</b>	<b>\$ 112,726</b>	<b>\$ 16,915</b>	<b>\$ 129,641</b>	<b>\$ 1,082,772</b>

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

**2-1-1 BREVARD, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grantors and contractors	\$ 978,054	\$ 861,200
Cash received from United Way	182,082	200,593
Cash received for program income	64,285	74,434
Cash received from donors	38,205	30,749
Cash received from investments	3,469	10,339
Payments for salaries and benefits	(918,849)	(830,682)
Payments to vendors	(265,313)	(216,015)
Payment of interest	(1,272)	(628)
	<hr/>	<hr/>
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>	80,661	129,990
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(3,268)	(3,974)
Proceeds from sale of investments	-	202,559
Purchase of fixed assets	-	(19,252)
	<hr/>	<hr/>
<b>CASH PROVIDED BY (USED IN) INVESTING</b>	(3,268)	179,333
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on capital lease	(630)	(489)
Proceeds from note payable	-	125,494
	<hr/>	<hr/>
<b>CASH PROVIDED BY (USED IN) FINANCING</b>	(630)	125,005
<b>NET CHANGE IN CASH</b>	76,763	434,328
<b>CASH, BEGINNING OF YEAR</b>	<hr/>	<hr/>
	742,478	308,150
<b>CASH, END OF YEAR</b>	<hr/> <hr/>	<hr/> <hr/>
	\$ 819,241	\$ 742,478
 <b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Forgiveness of PPP loan	<hr/> <hr/>	<hr/> <hr/>
	\$ 125,494	\$ -

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

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

2-1-1 Brevard, Inc. (Organization) operates the Brevard County, Florida 2-1-1 information and referral and crisis intervention telephone service. The Organization also administers a system to coordinate client intake for homeless persons in the Brevard County area and to track the services provided to them. It is supported primarily through allocations from United Way, governmental grants and contributions from individuals, corporations, and foundations.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid investments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Accounts, Grants and Contracts Receivable

The Organization has receivables from various funding sources, grants and contracts, and for program revenues. Management reviews receivables for collectability based on historical experience, an assessment of economic conditions, and a review of subsequent collections. The Organization considers accounts receivable at June 30, 2021 and 2020 to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Promises to Give

The Organization records promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. An allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. The Organization considers promises to give at June 30, 2021 and 2020 to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Equipment and Depreciation

The Organization capitalizes all expenditures for equipment with a value in excess of \$5,000 and a useful life greater than one year. Lesser amounts or purchases with a useful life of less than a year are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gain and losses, less external and direct internal investment expenses.

Net Assets

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for various operating reserves.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed (or certain grantor-imposed) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursement or units-of-service federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures or provided services in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advance in the statement of financial position. In fiscal 2020, the Organization received cost-reimbursement grants, a portion of which were not recognized at year end because qualifying expenditures had not yet been incurred, with an advance payment of \$10,603 recognized in the statement of financial position at June 30, 2020 as a refundable advance; there was no refundable advance at June 30, 2021.

The Organization recognizes revenue from contracts with governmental and other nonprofit organizations. The performance obligations under these contracts consist primarily of providing stand-ready call center services to certain geographic areas or specific constituencies, and revenue is recognized ratably over time as the services are provided.

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Donated Services and Materials

Donated services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization also receives donated services from a variety of unpaid volunteers who assist in carrying out its services and fundraising efforts. No amounts have been recognized for these services in the accompanying Statements of Activities because they do not meet recognition criteria prescribed by generally accepted accounting principles.

During fiscal years ending June 30, 2021 and 2020, the Organization received \$8,360 and \$10,360, respectively, in donated services and materials, primarily related to fundraising.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Certain categories of expenses are attributed to more than one program or supporting function; therefore, these expenses are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, repairs and maintenance, and insurance, which are allocated on a square footage basis; as well as salaries and related costs, communications, conferences, and travel, which are allocated on the basis of estimates of time and effort. Certain other costs are specifically identified as benefiting a specific program or supporting function, such as contract payments.

Estimates

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

Tax Status

The Organization is organized as a nonprofit corporation and has been recognized by the IRS as exempt from federal income tax under IRC Section 501(a) as an organization described in IRC Section 501(c)(3). The Organization has been determined not to be a private foundation. Contributions to the Organization are qualified as deductions for charitable contributions. The Organization was not subject to unrelated business income tax for the fiscal years ended June 30, 2021 and 2020.

Reclassifications

Certain reclassifications of 2020 financial information have been made to conform to the 2021 presentation. Such reclassifications have no effect on change in net assets for that fiscal year.

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 2 – LIQUIDITY AND AVAILABILITY OF FUNDS**

The Organization’s financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at June 30, 2021 and 2020:

	2021	2020
Financial assets, end of year	\$ 1,255,396	\$ 1,195,266
Less those unavailable for general expenditures within one year due to:		
Board designations	(732,455)	(551,926)
Financial assets available to meet cash needs for general expenditures within one year	\$ 522,941	\$ 643,340

The Organization holds cash in excess of approved budgeted expenses in investments and a money market savings account. The Board has designated a portion of operating surplus to a designated reserve fund, which is further described in Note 12. The balance of the Board designated reserve was \$732,455 and \$551,926 as of June 30, 2021 and 2020, respectively. While not included in available financial assets in the table above, funds in this reserve could be made available for general expenditure by Board action if necessary.

**NOTE 3 - OFF BALANCE SHEET CREDIT RISK**

The Organization maintains cash in banks in amounts that are from time to time in excess of federally insured limits. The excess subject to this credit risk at June 30, 2021 and 2020, respectively, was approximately \$294,000 and \$241,000.

**NOTE 4 - PROMISES TO GIVE**

Promises to give totaling \$186,275 at June 30, 2021 and \$175,296 at June 30, 2020, all of which were receivable in less than one year, consist of allocations and designations from United Way-Brevard.

**NOTE 5 – FAIR VALUE MEASUREMENTS**

The Organization reports its investments at fair value on a recurring basis. Recurring fair value measurements are categorized using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy defines three levels of inputs, giving the highest priority to unadjusted quoted prices in active markets for identical assets and the lowest priority to unobservable inputs.

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)**

The three-tier hierarchy of inputs is summarized in the following categories:

Level 1: quoted prices in active markets for identical investments.

Level 2: other significant observable inputs, including quoted prices for similar investments in active markets, etc.

Level 3: significant unobservable inputs, including management’s assumptions in determining the fair value of investments.

Fair value of investments at June 30, 2021 and 2020, is measured as follows:

2021				
	Totals	Level 1	Level 2	Level 3
Mutual funds	\$ 83,995	\$ 83,995	\$ -	\$ -
Total investments at fair value	\$ 83,995	\$ 83,995	\$ -	\$ -

2020				
	Totals	Level 1	Level 2	Level 3
Mutual funds	\$ 74,008	\$ 74,008	\$ -	\$ -
Total investments at fair value	\$ 74,008	\$ 74,008	\$ -	\$ -

Amounts shown as invested in mutual funds are in a single fund, which constitutes a concentration of risk.

**NOTE 6 - PROPERTY AND EQUIPMENT**

At June 30, 2021 and 2020, property and equipment consisted of the following:

	2021	2020
Building	\$ 281,761	\$ 281,761
Equipment	52,859	52,859
Leased equipment	3,000	3,000
Total cost	337,620	337,620
Less: accumulated depreciation	(88,313)	(73,528)
Total	\$ 249,307	\$ 264,092

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 7 – INTANGIBLE ASSETS**

At June 30, 2021 and 2020, intangible assets consisted of the following:

	<u>2021</u>	<u>2020</u>
Software	\$ 33,661	\$ 33,661
Less: accumulated amortization	(29,078)	(24,078)
Net unamortized value	<u>\$ 4,583</u>	<u>\$ 9,583</u>

The intangible assets above are being amortized over useful lives of three to five years, using the straight-line method. Amortization of these assets is included in depreciation and amortization expense. Estimated amortization expense for future years for these intangible assets is expected to be \$4,583 in fiscal year ended June 30, 2022.

**NOTE 8 – NOTE PAYABLE AND GAIN ON FORGIVENESS OF DEBT**

The Organization signed a Paycheck Protection Program (PPP) Promissory Note with a bank in the amount of \$125,494 on May 12, 2020, which was outstanding at June 30, 2020. The PPP is part of the U.S. government’s CARES Act, designed to assist small businesses in paying employee wages and other critical expenses. The loan was uncollateralized and fully guaranteed by the federal government. The loan provided for forgiveness if the proceeds were used for payroll and certain other costs over a specified period of time; the loan was fully forgiven in December 2020. Gain on forgiveness of \$125,494 is recognized in other income in fiscal 2021.

**NOTE 9 – CAPITAL LEASE**

The Organization is the lessee of office equipment under a capital lease expiring in December 2022. The asset and liability under the capital lease are recorded at the lower of the present value of the future minimum lease payments or the fair value of the asset.

Minimum future lease payments under the capital lease as of June 30, 2021 are:

Year ending June 30, 2022	\$ 1,070
2023	<u>446</u>
	1,516
Less amount representing interest	<u>(257)</u>
Total	<u>\$ 1,259</u>



**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 10 – CONCENTRATION OF CREDIT RISK**

There are concentrations of credit risk with respect to pledges and grants receivable at June 30, 2021 and 2020 because significant percentages of receivables relative to total receivables are from the following sources: United Way-Brevard promise to give, 53% and 46%, respectively; Brevard County, 2% and 11%, respectively; two nonprofit organizations, 7% and 6% in 2021 and 10% and 18% in 2020, respectively, and a third nonprofit organization representing 12% in 2021.

Concentrations of risk exist in the volume of support and revenues the Organization received from these sources during fiscal years ending June 30, 2021 and 2020: United Way-Brevard, 15% and 15%, respectively; and funding from two nonprofit organizations represented 16% and 10% in fiscal 2021 and 28% and 16% in fiscal 2020.

**NOTE 11 – DONOR RESTRICTIONS OF NET ASSETS**

Net assets restricted by donors totaled \$186,275 at June 30, 2021 and \$175,296 at June 30, 2020, consisting of allocations and designations from United Way for the following fiscal year.

**NOTE 12 – BOARD DESIGNATIONS OF NET ASSETS**

The Board of Directors has adopted a Board Designated Reserve Policy. The policy states that when there is a surplus of revenues over expenses for a fiscal year, that surplus will be reserved to support objectives including sustaining operations, preventing cash flow crises, allowing capacity building and expansion of operations during disaster response operations, and providing for acquisition and replacement of capital equipment needs. During fiscal 2021, the Board further defined the designations as providing for capital needs up to \$500,000, and operating reserves up to \$300,000, to the extent available.

Activity in Board designated reserves during fiscal years ended June 30, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 551,926	\$ 395,930
Additions	180,529	155,996
Withdrawals	-	-
Balance, end of year	<u>\$ 732,455</u>	<u>\$ 551,926</u>

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 13 – REVENUE**

The Organization recognizes revenue from contracts for call center services and from a portion of special events. The timing of revenue recognition, billings, and cash collections resulted in billed accounts receivable of \$16,799 and \$9,547 on the statements of financial position at June 30, 2021 and 2020, respectively. There were no contract assets or liabilities at June 30, 2021 or 2020 related to revenues from these contracts. Revenue is disaggregated by major lines as follows:

	<u>2021</u>	<u>2020</u>
Contracts	\$ 90,659	\$ 74,781
Special events revenue	<u>-</u>	<u>3,125</u>
Total revenue	<u>\$ 90,659</u>	<u>\$ 77,906</u>

**NOTE 14 – RETIREMENT PLAN**

An employee of the Organization who is at least age 21 and who has earned a certain level of compensation in a prior calendar year with the Organization is eligible to participate in the SIMPLE IRA retirement plan of the Organization. Participants may generally elect to defer up to \$13,500 of their compensation annually under the plan, and the Organization will match the deferral up to three percent of the employee's compensation. Matching contributions for the fiscal years ended June 30, 2021 and 2020 were \$12,402 and \$8,500, respectively, included in personnel costs on the statements of functional expenses.

**NOTE 15 – CONTINGENCIES**

Certain contracts and grants received by the Organization are subject to review by grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of the executed agreements. As a result of these reviews, the Organization may be required to repay a portion of contract or grant funds received. However, no liability for any such disallowance has been recorded, as management does not believe any liability related to its contracts and grants would be material.

**NOTE 16 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 18, 2021, the date the financial statements were available to be issued.

To accommodate expanding space requirements, in July 2021 the Organization entered into a purchase contract for a new office space. The purchase price under the contract is approximately \$921,000 and closing is scheduled for December, 2021.

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 16 – SUBSEQUENT EVENTS (CONTINUED)**

The Organization chose to cease serving as the lead agency for the Homeless Management Information System effective June 30, 2021. The program will be assumed by another local nonprofit organization focused on homelessness. As a result, in future years the Organization will no longer receive federal funding of \$71,455 annually, which supported that program.

The Organization was subject to a personnel complaint during fiscal year ended June 30, 2021, which was resolved in mediation in July 2021 without admission by the Organization of any violation. The settlement stipulated payments totaling \$8,500 to the other party, which payments were made in August 2021. A liability for the amount of the payments has been accrued in the accompanying financial statements, as well as an accrued receivable for insurance reimbursement in the same amount.

**SUPPLEMENTARY INFORMATION**

**2-1-1 BREVARD, INC.  
SCHEDULE OF STATE EARNINGS  
YEAR ENDED JUNE 30, 2021**

SAMH funding

Total expenditures	\$ 1,210,151
Less other state and federal funds	(252,011)
Less non-match SAMH funds	(147,549)
Less unallowable costs per 65E-14, F.A.C.	<u>(387,063)</u>
Total allowable expenditures	<u>423,528</u>
Maximum Available Earnings	<u>211,217</u>
Amount of State Funds Requiring Match	<u>215,452</u>
Amount due to CFCHS	<u><u>\$ -</u></u>

NOTE 1: No other government funding was received related to Adult or Children's Mental Health during the fiscal year ended June 30, 2021.

NOTE 2: There were no related party transactions related to the state funding above during the fiscal year ended June 30, 2021.

NOTE 3: Matching funds requirement noted above was satisfied.

**2-1-1 BREVARD, INC.**  
**COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Adult Mental Health Services Recovery and Resiliency	Children's Mental Health Services Recovery and Resiliency
	<u>                    </u>	<u>                    </u>
<b>FUNDING SOURCES AND REVENUES</b>		
State funding	\$ 178,573	\$ 42,035
Other government funding	142,393	-
<b>TOTAL FUNDING</b>	<b><u>\$ 320,966</u></b>	<b><u>\$ 42,035</u></b>
<b>EXPENSE CATEGORIES</b>		
<b>PERSONNEL EXPENSES</b>		
Salaries	\$ 258,687	\$ 33,879
Fringe benefits	62,279	8,156
<b>TOTAL PERSONNEL</b>	<b><u>320,966</u></b>	<b><u>42,035</u></b>
<b>OTHER EXPENSES</b>		
Building occupancy	-	-
Professional services	-	-
Travel	-	-
Equipment	-	-
Food services	-	-
Medical and pharmacy	-	-
Subcontracted services	-	-
Insurance	-	-
Interest paid	-	-
Operating supplies and expenses	-	-
Other	-	-
Donated items	-	-
<b>TOTAL OTHER EXPENSES</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL PERSONNEL AND OTHER EXPENSES</b>	<b><u>320,966</u></b>	<b><u>42,035</u></b>
<b>INDIRECT EXPENSES</b>		
Other support costs	-	-
Administration	-	-
<b>TOTAL INDIRECT EXPENSES</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL ALL EXPENSES</b>	<b><u>\$ 320,966</u></b>	<b><u>\$ 42,035</u></b>