

**2-1-1 BREVARD, INC.
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009**

**2-1-1 BREVARD, INC.
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YEAR ENDED JUNE 30, 2009**

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JANES, KEY & DINHO, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of 2-1-1 Brevard, Inc. (a nonprofit organization), as of June 30, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of 2-1-1 Brevard, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 2-1-1 Brevard, Inc. as of June 30, 2009, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of state earnings and cost center expense on pages 11-12 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Janes, Key & Dinho, P.A.
Janes, Key & Dinho, P.A.
Certified Public Accountants
October 15, 2009

2-1-1 BREVARD, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS	
CURRENT ASSETS	
Cash	\$ 271,485
Certificate of deposit	99,452
Grants and contracts receivable	57,894
Unconditional promises to give	178,682
Prepaid expenses	<u>9,883</u>
TOTAL CURRENT ASSETS	617,396
PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$39,270	<u>100,141</u>
OTHER ASSETS	
Deposits	<u>880</u>
TOTAL ASSETS	<u>\$ 718,417</u>
 LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Current portion of capital lease	\$ 1,586
Accounts payable	26,540
Accrued expenses	<u>10,003</u>
TOTAL CURRENT LIABILITIES	38,129
LONG TERM LIABILITIES	
Capital lease, net of current portion	<u>642</u>
TOTAL LIABILITIES	<u>38,771</u>
NET ASSETS	
Unrestricted	
Undesignated	350,964
Designated	<u>150,000</u>
Total unrestricted	500,964
Temporarily restricted	<u>178,682</u>
TOTAL NET ASSETS	<u>679,646</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 718,417</u>

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

2-1-1 BREVARD, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND REVENUES			
Contributions	\$ 40,241	\$ -	\$ 40,241
Federal grants	74,329	-	74,329
State grants	356,682	-	356,682
Local/other grants and contracts	101,866	-	101,866
United Way allocations	7,529	178,682	186,211
Program income	38,097	-	38,097
Interest income	4,439	-	4,439
Special event	10,551	-	10,551
Other revenue	2,066	-	2,066
Net assets released from restrictions:			
Satisfaction of time restrictions	<u>187,052</u>	<u>(187,052)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>822,852</u>	<u>(8,370)</u>	<u>814,482</u>
EXPENSES			
Program services			
Helpline and prevention	568,020	-	568,020
Homeless management information system	80,502	-	80,502
Supporting services			
Management and general	40,426	-	40,426
Fundraising	<u>6,832</u>	<u>-</u>	<u>6,832</u>
TOTAL EXPENSES AND LOSSES	<u>695,780</u>	<u>-</u>	<u>695,780</u>
CHANGE IN NET ASSETS	127,072	(8,370)	118,702
NET ASSETS, BEGINNING OF YEAR	<u>373,892</u>	<u>187,052</u>	<u>560,944</u>
NET ASSETS, END OF YEAR	<u>\$ 500,964</u>	<u>\$ 178,682</u>	<u>\$ 679,646</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, 2009

	Program Services			Support Services			Total
	Helpline and Prevention	Homeless Management Information System	Total Program Services	Management and General	Fundraising	Total Support Services	
EXPENSES							
Advertising	\$ 4,199	\$ -	\$ 4,199	\$ -	\$ -	\$ -	\$ 4,199
Conferences and training	6,374	727	7,101	242	-	242	7,343
Dues and fees	-	-	-	1,380	-	1,380	1,380
Fundraising expense	-	-	-	-	6,617	6,617	6,617
Insurance	1,457	466	1,923	101	-	101	2,024
Interest and finance charges	280	89	369	19	-	19	388
Internet	29,897	9,551	39,448	2,076	-	2,076	41,524
Occupancy	28,325	9,048	37,373	1,967	-	1,967	39,340
Office supplies and expense	8,913	2,847	11,760	619	215	834	12,594
Personnel costs	440,561	50,248	490,809	16,749	-	16,749	507,558
Postage and shipping	958	306	1,264	67	-	67	1,331
Printing and publications	4,349	111	4,460	24	-	24	4,484
Professional fees	7,010	987	7,997	15,512	-	15,512	23,509
Repairs and maintenance	783	250	1,033	54	-	54	1,087
Telephone	25,036	2,856	27,892	952	-	952	28,844
Travel	682	78	760	26	-	26	786
TOTAL EXPENSES BEFORE DEPRECIATION	558,824	77,564	636,388	39,788	6,832	46,620	683,008
Depreciation	9,196	2,938	12,134	638	-	638	12,772
TOTAL FUNCTIONAL EXPENSES	\$ 568,020	\$ 80,502	\$ 648,522	\$ 40,426	\$ 6,832	\$ 47,258	\$ 695,780

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

2-1-1 BREVARD, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 118,702
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:	
Depreciation	12,772
(Increase) decrease in assets:	
Grants receivable	(20,081)
Promises to give	8,370
Prepaid expenses	(3,503)
Increase (decrease) in liabilities:	
Accounts payable	19,389
Accrued expenses	<u>(7,321)</u>
CASH PROVIDED (USED) BY OPERATIONS	128,328
CASH FLOWS FROM INVESTING ACTIVITIES	
Payment of deposits	(880)
Purchase of fixed assets	<u>(98,942)</u>
CASH PROVIDED (USED) BY INVESTING	(99,822)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on capital leases	<u>(1,241)</u>
CASH PROVIDED (USED) BY FINANCING	(1,241)
NET CHANGE IN CASH	27,265
CASH, BEGINNING OF YEAR	<u>343,672</u>
CASH, END OF YEAR	<u><u>\$ 370,937</u></u>
Interest paid	<u><u>\$ 388</u></u>

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

2-1-1 BREVARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

2-1-1 Brevard, Inc. (Organization) operates the Brevard County, Florida 211 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 and businesses.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. There were no permanently restricted net assets as of June 30, 2009.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization held no cash equivalents as of June 30, 2009.

Grants Receivable

No allowance has been recorded for uncollectible grants receivable, as management believes they are fully collectible.

Promises to Give

The Organization believes all unconditional promises receivable are collectible; therefore, no allowance for uncollectible unconditional promises is required. The need for an allowance is based on prior years' experience and management's analysis of specific promises made.

2-1-1 BREVARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment and Depreciation

The Organization capitalizes all expenditures for equipment with a value in excess of \$500 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. Such donations are reported as unrestricted 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 assets' expected useful lives.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Contributed Services

During the year ended June 30, 2009, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

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 statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs

Advertising costs are expensed when incurred. For the year ended June 30, 2009, advertising expense totaled approximately \$4,200.

**2-1-1 BREVARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

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

Tax Status

The Organization is exempt from income tax under Section 501(c) (3) of the U.S. Internal Revenue Code, and has been determined to be an organization that is not a private foundation. Contributions to the Organization are qualified as deductions for charitable contributions.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 15, 2009, the date the financial statements were available to be issued.

NOTE 2 - PROMISES TO GIVE

Promises to give of \$178,682, all of which is receivable in less than one year, consist of allocations and designations from United Way.

NOTE 3 - PROPERTY AND EQUIPMENT

At June 30, 2009, property and equipment consist of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Estimated Life</u>
Furniture and equipment	\$ 66,071	\$ 24,829	\$ 41,242	3-7 years
Equipment under capital lease	6,445	4,619	1,826	5 years
Leasehold improvements	62,295	7,292	55,003	5 years
Computer software	4,600	2,530	2,070	5 years
Total	<u>\$ 139,411</u>	<u>\$ 39,270</u>	<u>\$ 100,141</u>	

2-1-1 BREVARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – OPERATING LEASES

The Organization leases a facility to house its operations. The lease began in December 2008 and has a term of five-years ending in November 2013. The lease includes an option to renew for two successive periods of five years each beyond that date. Monthly rent consists of base rent plus additional operating costs, including property assessments, maintenance, management fees, and insurance. Base rent increases annually at the rate of 2.5% annually and additional operating costs are adjusted annually based on actual costs. The Organization is responsible for utilities, liability insurance and insurance on fixtures inside the unit. Rent expense for fiscal year ended June 30, 2009 totaled \$22,111.

Minimum future rental payments under non-cancelable operating leases are:

Year ending June 30,	2010	\$	27,840
	2011		28,455
	2012		29,085
	2013		12,388
			<u>97,768</u>
			<u>\$ 97,768</u>

NOTE 5 – CAPITAL LEASE

The Organization is the lessee of office equipment under a capital lease expiring in November 2010. 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 are:

Year ending June 30,	2010	\$	1,726
	2011		664
			<u>2,390</u>
Less amount representing interest			<u>(162)</u>
Total			<u>\$ 2,228</u>

NOTE 6 – RESTRICTIONS AND DESIGNATIONS OF NET ASSETS

Temporarily restricted net assets at June 30, 2009 consist of \$178,682 of funds allocated by United Way for the next fiscal year.

Unrestricted funds in the amount of \$150,000 have been designated by the Board of Directors as an operational reserve.

2-1-1 BREVARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 7 – RETIREMENT PLAN

Any full-time employee of the Organization who is at least age 21 and who has been employed for one year with the Organization is eligible to participate in the Simplified Employee Pension plan (SEP). Pension costs are comprised of current service costs, which are accrued and funded on a current basis in an amount equal to three percent of eligible employees' compensation. During the year ended June 30, 2009, the cost to the Organization was \$5,056.

The Organization also sponsors a noncontributory 403(b) retirement plan to which all employees may make voluntary contributions. During the year ended June 30, 2009, two employees made contributions to the plan, totaling \$2,121.

NOTE 8 – FAIR VALUE MEASUREMENTS

In September 2006, the FASB issued SFAS No. 157 "Fair Value Measurements" in order to establish a single definition of fair value and a framework for measuring fair value in generally accepted accounting principles that is intended to result in increased consistency and comparability in fair value measurements. SFAS No. 157 also expands disclosures about fair value measurements. SFAS No. 157, which was originally effective for financial statements issued for fiscal years beginning after November 15, 2007, applies whenever other authoritative literature requires (or permits) certain assets or liabilities to be measured at fair value, but does not expand the use of fair value.

In early 2008, the FASB issued Staff Position (FSP) FAS-157-2, "Effective Date of FASB Statement No. 157," which delays by one year the effective date of SFAS No. 157 for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The delay pertains to certain non-financial assets and non-financial liabilities.

The Organization discloses fair value information for its promises to give on a recurring basis. Fair value for unconditional promises to give is determined by evaluating the collectability of outstanding promises. Significant inputs for this valuation methodology are unobservable, therefore, it is considered a level 3 valuation. Fair value of those assets at June 30, 2009 was measured as follows:

	<u>Fair Value</u>	Significant Unobservable Inputs (Level 3)
June 30, 2009		
Unconditional promises to give	<u>\$ 178,682</u>	<u>\$ 178,682</u>

Items carried at fair value on a non-recurring basis, to which SFAS No. 157 will apply in fiscal 2010, generally consist of non-financial assets.

2-1-1 BREVARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 9 – CONCENTRATION OF CREDIT RISK

There is a concentration of credit risk with respect to grants receivable because a significant amount of these receivables are from three sources: sixty-four percent of receivables for fiscal 2009 consisted of amounts receivable from Florida Department of Children and Families, fourteen percent from Brevard County, and seventeen percent from the U.S. Department of Housing and Urban Development.

Concentrations of risk exist in the volume of support and revenues the Organization receives from four sources: twenty-three percent of support and revenues for fiscal 2009 consisted of allocations and designations from United Way, twelve percent was from Brevard County, Florida, forty-three percent was from Department of Children and Families, and nine percent was received from the U.S. Department of Housing and Urban Development.

SUPPLEMENTARY INFORMATION

2-1-1 BREVARD, INC.
SCHEDULE OF STATE EARNINGS
YEAR ENDED JUNE 30, 2009

Department of Children and Families:

Total expenditures	\$	695,780
Less other state and federal funds		173,195
Less non-match SAMH funds		59,481
Less unallowable costs per 65E-14, F.A.C.		<u>72,977</u>
Total allowable expenditures		<u>390,127</u>
Maximum Available Earnings		<u>292,595</u>
Amount of State Funds Requiring Match		<u>292,595</u>
Amount due to Department	<u>\$</u>	<u>-</u>

NOTE: No other government funding was received related to Adult or Children's Mental Health or Children's Substance Abuse during the fiscal year ended June 30, 2009

NOTE: There were no related party transactions related to the state funding above during the fiscal year ended June 30, 2009

NOTE: 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, 2009

	Adult Mental Health Services Recovery and Resiliency	Children's Mental Health Services Recovery and Resiliency	Children's Substance Abuse Incidentals
FUNDING SOURCES AND REVENUES			
State SAMH funding	\$ 290,201	\$ 59,480	\$ -
Other government funding	-	-	4,000
TOTAL FUNDING	\$ 290,201	\$ 59,480	\$ 4,000
EXPENSE CATEGORIES			
PERSONNEL SERVICES			
Salaries	\$ 234,651	\$ 48,095	\$ -
Fringe benefits	55,550	11,386	-
TOTAL PERSONNEL	290,201	59,481	-
OTHER EXPENSES			
Building occupancy	-	-	-
Professional services	-	-	-
Travel	-	-	-
Equipment	-	-	-
Food services	-	-	-
Medical and pharmacy	-	-	-
Subcontracted services	-	-	-
Insurance	-	-	-
Interest paid	-	-	-
Operating supplies and expenses	-	-	-
Other	-	-	4,000
Donated items	-	-	-
TOTAL OTHER EXPENSES	-	-	4,000
TOTAL PERSONNEL AND OTHER EXPENSES	290,201	59,481	4,000
INDIRECT EXPENSES			
Other support costs	-	-	-
Administration	-	-	-
TOTAL INDIRECT EXPENSES	-	-	-
TOTAL ALL EXPENSES	\$ 290,201	\$ 59,481	\$ 4,000