

**2-1-1 BREVARD, INC.  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008**

**2-1-1 BREVARD, INC.  
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YEAR ENDED JUNE 30, 2008**

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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, 2008, 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, 2008, 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 27, 2008

**2-1-1 BREVARD, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2008**

ASSETS

CURRENT ASSETS

Cash	\$ 247,918
Certificate of deposit	95,754
Grants and contracts receivable	37,813
Unconditional promises to give	187,052
Prepaid expenses	<u>6,380</u>

TOTAL CURRENT ASSETS 574,917

PROPERTY AND EQUIPMENT, net of accumulated  
depreciation of \$27,667 13,971

TOTAL ASSETS \$ 588,888

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current portion of capital lease	\$ 1,349
Accounts payable	7,152
Accrued expenses	<u>17,324</u>
TOTAL CURRENT LIABILITIES	25,825

LONG TERM LIABILITIES

Capital lease, net of current portion 2,119

TOTAL LIABILITIES 27,944

NET ASSETS

Unrestricted	
Undesignated	223,892
Designated	<u>150,000</u>
Total unrestricted	373,892
Temporarily restricted	<u>187,052</u>
TOTAL NET ASSETS	<u>560,944</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 588,888</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, 2008**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>PUBLIC SUPPORT AND REVENUES</b>			
Contributions	\$ 917	\$ -	\$ 917
Federal grants	75,567	-	75,567
State grants	108,333	-	108,333
Local/other grants and contracts	103,620	-	103,620
United Way allocations	-	187,052	187,052
Program income	58,130	-	58,130
Interest income	8,035	-	8,035
Special events	990	-	990
Other revenue	3,078	-	3,078
Net assets released from restrictions:			
Satisfaction of time restrictions	177,818	(177,818)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>536,488</u>	<u>9,234</u>	<u>545,722</u>
<b>EXPENSES</b>			
Program services			
Helpline and prevention	404,799	-	404,799
Homeless management information system	67,548	-	67,548
Supporting services			
Management and general	35,100	-	35,100
<b>TOTAL EXPENSES AND LOSSES</b>	<u>507,447</u>	<u>-</u>	<u>507,447</u>
<b>CHANGE IN NET ASSETS</b>	29,041	9,234	38,275
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>344,851</u>	<u>177,818</u>	<u>522,669</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 373,892</u>	<u>\$ 187,052</u>	<u>\$ 560,944</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, 2008**

	Program Services				Total
	Helpline and Prevention	Homeless Management Information System	Total Program Services	Management and General	
EXPENSES					
Advertising	\$ 4,451	\$ -	\$ 4,451	\$ -	\$ 4,451
Conferences and training	2,461	410	2,871	123	2,994
Dues and fees	3,000	-	3,000	1,069	4,069
Insurance	1,426	260	1,686	70	1,756
Interest and finance charges	397	72	469	20	489
Internet	24,580	4,476	29,056	1,211	30,267
Occupancy	30,490	5,553	36,043	1,502	37,545
Office expense	9,734	1,773	11,507	479	11,986
Personnel costs	300,712	50,045	350,757	15,072	365,829
Postage and shipping	1,013	185	1,198	50	1,248
Printing and publications	6,887	1,255	8,142	339	8,481
Professional fees	3,851	808	4,659	14,378	19,037
Repairs and maintenance	678	124	802	33	835
Telephone	9,763	1,625	11,388	489	11,877
Travel	855	142	997	43	1,040
TOTAL EXPENSES BEFORE DEPRECIATION	400,298	66,728	467,026	34,878	501,904
Depreciation	4,501	820	5,321	222	5,543
TOTAL FUNCTIONAL EXPENSES	\$ 404,799	\$ 67,548	\$ 472,347	\$ 35,100	\$ 507,447

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

**2-1-1 BREVARD, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 38,275
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:	
Depreciation	5,543
(Increase) decrease in assets:	
Grants receivable	10,929
Promises to give	(9,234)
Prepaid expenses	3,226
Increase (decrease) in liabilities:	
Accounts payable	5,063
Accrued expenses	<u>4,778</u>
CASH PROVIDED (USED) BY OPERATIONS	58,580
CASH FLOWS FROM INVESTING ACTIVITIES	
Reinvest earnings in certificate of deposit	(5,754)
Purchase of equipment	<u>(1,280)</u>
CASH PROVIDED (USED) BY INVESTING	(7,034)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on capital leases	<u>(1,238)</u>
CASH PROVIDED (USED) BY FINANCING	(1,238)
NET CHANGE IN CASH	50,308
CASH, BEGINNING OF YEAR	<u>197,610</u>
CASH, END OF YEAR	<u>\$ 247,918</u>
Interest paid	<u>\$ 489</u>

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

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**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, 2008.

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, 2008.

Grants Receivable

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

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

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.

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, 2008, 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.

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

Advertising Costs

Advertising costs are expensed when incurred. For the year ended June 30, 2008, advertising expense totaled approximately \$4,500.

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.

**NOTE 2 - 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. At June 30, 2008, the excess subject to this credit risk was approximately \$59,000.

**NOTE 3 - PROMISES TO GIVE**

Promises to give of \$187,052, all of which is receivable in less than one year, consist of allocations and designations from United Way.

**NOTE 4 - PROPERTY AND EQUIPMENT**

At June 30, 2008, 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	\$ 30,593	\$ 22,727	\$ 7,866	3-7 years
Equipment under capital lease	6,445	3,330	3,115	5 years
Computer software	4,600	1,610	2,990	5 years
Total	<u>\$ 41,638</u>	<u>\$ 27,667</u>	<u>\$ 13,971</u>	

**2-1-1 BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**NOTE 5 – OPERATING LEASES**

The Organization leases a facility to house its operations. That lease was renewed in 2006 for a five-year period ending in April 2011. Rent increases annually in accordance with the Consumer Price Index, with a maximum increase of 3% annually. The Organization is responsible for maintenance, fire and liability insurance and any property tax assessments. Rent expense for fiscal year ended June 30, 2008 totaled \$18,664.

The current lease provides the Organization the right to terminate the lease at any time upon 180 days written notice. Subsequent to year end, notice was provided to the landlord of the Organization's intention to vacate the lease in November 2008, and that notice has been accepted. The Organization has executed a new lease for a location in Rockledge, Florida which will require monthly rent of \$2,000 plus a pro rata share of operating costs. The Organization has also agreed to pay a portion of the cost to build out the leased space, expected to total approximately \$56,000.

**NOTE 6 – CAPITAL LEASE**

The Organization is the lessee of office equipment under a capital lease expiring in 2011. 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,	2009	\$ 1,594
	2010	1,594
	2011	<u>663</u>
		3,851
Less amount representing interest		<u>(383)</u>
Total		<u>\$ 3,468</u>

**NOTE 7 – RESTRICTIONS AND DESIGNATIONS OF NET ASSETS**

Temporarily restricted net assets at June 30, 2008 consist of \$ 187,052 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, 2008**

**NOTE 8 – DEFINED CONTRIBUTION 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 pension plan. 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, 2008, the cost to the Organization was \$7,834. Two employees made contributions to the plan, totaling \$3,394.

**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 four sources: twenty-three percent of receivables for fiscal 2008 consisted of amounts receivable from Florida Department of Children and Families, twenty-seven percent from Brevard County, nineteen percent from the U.S. Department of Housing and Urban Development, and thirteen percent from Senior Resource Alliance.

Concentrations of risk exist in the volume of support and revenues the Organization receives from four sources: thirty-four percent of support and revenues for fiscal 2008 consisted of allocations and designations from United Way, sixteen percent was from Brevard County, Florida, nineteen percent was from Department of Children and Families, and fourteen percent was received from the U.S. Department of Housing and Urban Development.

**NOTE 10 – SUBSEQUENT AWARD OF GRANT**

Subsequent to year end, the Organization executed a contract amendment with Department of Children and Families to provide crisis line service for Orange, Osceola and Seminole counties in addition to Brevard County, which is already served by the Organization, effective August 2008. The contract is expected to increase grant funding substantially, commensurate with the increase in service area and units of service to be provided.

**SUPPLEMENTARY INFORMATION**

**2-1-1 BREVARD, INC.  
SCHEDULE OF STATE EARNINGS  
YEAR ENDED JUNE 30, 2008**

Department of Children and Families:

Total expenditures	\$	105,000
Less other state and federal funds		-
Less non-match ADM funds		-
Less unallowable costs		-
Less unallowable patient fees		-
		-
Total allowable expenditures		105,000
Maximum Available Earnings		105,000
Amount of State Funds Requiring Match		105,000
Amount due to Department	\$	-

NOTE: No other government funding was received related to Adult Mental Health during the fiscal year ended June 30, 2008

NOTE: There were no related party transactions related to the state funding above during the fiscal year ended June 30, 2008

NOTE: Matching funds requirement noted above was satisfied.

**2-1-1 BREVARD, INC.  
 COST CENTER EXPENSE SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2008**

	Adult Community Mental Health Community Support Services <u>Information and Referral</u>
<b>PERSONNEL SERVICES</b>	
Salaries	\$ 85,043
Fringes	<u>19,957</u>
<b>TOTAL PERSONNEL</b>	<u>105,000</u>
<b>EXPENSES</b>	
Building occupancy	-
Professional services	-
Travel	-
Equipment costs	-
Food services	-
Medical and pharmacy	-
Subcontracted services	-
Insurance	-
Interest	-
Operating supplies and expenses	-
Other	-
Donated items	-
<b>TOTAL EXPENSES</b>	<u>-</u>
<b>TOTAL PERSONNEL AND EXPENSES</b>	<u>105,000</u>
<b>INDIRECT EXPENSES</b>	
Other support	-
Administration	-
<b>TOTAL INDIRECT EXPENSES</b>	<u>-</u>
<b>TOTAL ALL EXPENSES</b>	<u><u>\$ 105,000</u></u>