

Wayside House, Inc.

Financial Statements and
Additional Information
For the Year Ended June 30, 2020



Wayside House, Inc.

Table of Contents

Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14
Additional Information	
Schedule of Program/Covered Service Actual Expenses and Revenues	15-22
Schedule of Related Party Transaction Adjustments	23
Schedule of State Earnings	24
Schedule of Bed-Day Availability Payments	25
Internal Controls and Compliance	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26-27

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wayside House, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Wayside House, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year 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

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 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 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of program/covered service actual expenses and revenues, related party transaction adjustments, state earnings, and bed-day availability payments 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 our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
December 10, 2020

FINANCIAL STATEMENTS



Wayside House, Inc.
Statement of Financial Position
June 30, 2020

Assets:

Cash and cash equivalents	\$	292,899
Investments		2,936
Accounts receivable		81,712
Grants and contracts receivable		118,174
Other assets		7,536
Property and equipment, less accumulated depreciation of \$ 1,604,752		<u>1,848,248</u>
Total assets	\$	<u><u>2,351,505</u></u>

Liabilities:

Accounts payable and other accrued expenses	\$	49,136
Accrued payroll and related liabilities		53,408
Refundable advances and deferred revenues		9,675
Debt - Paycheck Protection Program		<u>272,000</u>
Total liabilities		<u>384,219</u>

Net Assets:

Without donor restrictions:		
Undesignated		1,924,126
With donor restrictions:		
Purpose restrictions		<u>43,160</u>
Total net assets		<u>1,967,286</u>
Total liabilities and net assets	\$	<u><u>2,351,505</u></u>

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

Wayside House, Inc.
Statement of Activities
For the Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Change in Net Assets:			
Revenue and other support:			
Contributions	\$ 1,288,167	\$ 103,725	\$ 1,391,892
Client services	295,816	-	295,816
Grants and contracts	1,658,092	-	1,658,092
Food stamps	11,044	-	11,044
Other income	9,616	-	9,616
	<u>3,262,735</u>	<u>103,725</u>	<u>3,366,460</u>
Total revenue and other support			
Net assets released from restrictions	<u>227,526</u>	<u>(227,526)</u>	<u>-</u>
Total revenue, other support and net assets released from restrictions	<u>3,490,261</u>	<u>(123,801)</u>	<u>3,366,460</u>
Expenses:			
Program services:			
Residential	1,459,724	-	1,459,724
Incidentals	26,127	-	26,127
Medical services	326,551	-	326,551
Outpatient services	534,833	-	534,833
Posner Career Center	305,086	-	305,086
Supporting services:			
Administration	276,989	-	276,989
Fundraising	134,253	-	134,253
	<u>3,063,563</u>	<u>-</u>	<u>3,063,563</u>
Total expenses			
Change in net assets	426,698	(123,801)	302,897
Net Assets, July 1, 2019	<u>1,497,428</u>	<u>166,961</u>	<u>1,664,389</u>
Net Assets, June 30, 2020	<u>\$ 1,924,126</u>	<u>\$ 43,160</u>	<u>\$ 1,967,286</u>

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

Wayside House, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services					Supporting Services			
	Residential	Incidentals	Medical Services	Outpatient Services	Posner Career Center	Total Program Services	Administration	Fundraising	Total
Personnel Costs:									
Salaries and wages	\$ 652,873	\$ -	\$ 25,110	\$ 338,989	\$ 145,303	\$ 1,162,275	\$ 188,328	\$ 50,220	\$ 1,400,823
Fringe benefits	186,612	-	7,178	96,893	107,615	398,298	53,832	14,354	466,484
Total personnel expenses	839,485	-	32,288	435,882	252,918	1,560,573	242,160	64,574	1,867,307
Other Expenses:									
Professional services	97,567	-	153,894	37,200	8,625	297,286	14,873	3,965	316,124
Food services	206,588	-	-	-	-	206,588	-	-	206,588
Building occupancy	96,526	1,149	3,447	11,490	5,517	118,129	1,149	1,149	120,427
Medical and pharmacy	17,243	6,038	126,172	8,734	-	158,187	-	-	158,187
Operating supplies and expenses	79,759	592	4,068	11,123	12,093	107,635	6,267	4,493	118,395
Fundraising events	-	-	-	-	-	-	-	49,659	49,659
Insurance	20,904	-	804	10,851	4,967	37,526	6,030	1,607	45,163
Marketing and advertising	15,276	-	3,055	6,110	-	24,441	3,055	7,642	35,138
Client activities	11,056	17,705	205	1,263	-	30,229	-	-	30,229
Other expenses	6,553	-	449	1,569	20,279	28,850	1,015	42	29,907
Equipment	6,234	-	238	3,233	687	10,392	1,797	479	12,668
Travel	8,481	-	-	942	-	9,423	-	-	9,423
Total other expenses	566,187	25,484	292,332	92,515	52,168	1,028,686	34,186	69,036	1,131,908
Total expenses before provision for depreciation	1,405,672	25,484	324,620	528,397	305,086	2,589,259	276,346	133,610	2,999,215
Provision for depreciation	54,052	643	1,931	6,436	-	63,062	643	643	64,348
Total expenses	\$ 1,459,724	\$ 26,127	\$ 326,551	\$ 534,833	\$ 305,086	\$ 2,652,321	\$ 276,989	\$ 134,253	\$ 3,063,563

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

Wayside House, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2020

Cash Flows from Operating Activities:	
Change in net assets	\$ 302,897
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Provision for depreciation	64,348
Donated investments	(35,320)
Net realized/unrealized loss on investment	23
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	2,831
Grants and contracts receivable	(86,436)
Increase (decrease) in:	
Accounts payable and other accrued expenses	(17,850)
Accrued payroll and related liabilities	10,637
Refundable advances and deferred revenues	9,675
	<u>250,805</u>
Net cash provided by (used in) operating activities	<u>250,805</u>
Cash Flows from Investing Activities:	
Purchases of property and equipment	(390,882)
Purchase of investments	(318,170)
Sale of investments	359,696
	<u>(349,356)</u>
Net cash provided by (used in) investing activities	<u>(349,356)</u>
Cash Flows from Financing Activities:	
Proceeds from debt - paycheck protection program	<u>272,000</u>
	<u>272,000</u>
Net cash provided by (used in) financing activities	<u>272,000</u>
Net increase (decrease) in cash and cash equivalents	173,449
Cash and Cash Equivalents, July 1, 2019	<u>119,450</u>
Cash and Cash Equivalents, June 30, 2020	<u>\$ <u>292,899</u></u>

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

Note 1 - Organization and Operations

Wayside House, Inc. (the "Organization") is a nonprofit corporation that provides treatment and rehabilitation for women who suffer from substance addictions and returns them and their families to society as productive members of the community of Palm Beach County, Florida. Founded in 1974, by Dr. Susan B. Anthony, the Organization has evolved into a twenty-eight bed professional, residential and outpatient treatment facility. The foundation of treatment is treating the individual within the context of her family. The Organization is supported primarily through donor contributions, grants and fundraising events.

In February 2018, the Organization received a national Behavioral Health Care Accreditation from The Joint Commission. The Joint Commission is an independent, not-for-profit, national body that oversees safety and quality of health care and other services provided in accredited organizations.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The Organization uses the accrual basis of accounting for financial reporting purposes, which is in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Revenues are recognized when earned and expenses are recognized when incurred.

Basis of presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Update (FASB ASU) 2016-14 Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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.
- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Generally, contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Note 2 - Summary of Significant Accounting Policies (continued)

All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions.

Cash and cash equivalents: In general, the Organization considers all highly liquid investments, with a maturity of three months or less when purchased to be cash equivalents.

Promises to give: The Organization records unconditional 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 using risk-adjusted discount rates. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization had no unconditional promises to give as of June 30, 2020.

Receivables and allowance for doubtful accounts: Grants and contracts receivable consist primarily of claims not yet reimbursed by various grantor/contract agencies. Accounts receivable, including third parties, consist of client based services, medical care and support services to individuals. The Organization has established an administrative formula whereby clients are expected to pay amounts based upon their individual financial ability. Because historical losses related to these receivables have been insignificant, management uses the direct write-off method to account for bad debts. On a continuing basis, management analyzes delinquent receivables and, once these receivables are determined to be uncollectible, they are written off through a charge against earnings.

Amounts due from contracting agencies are considered by management to be fully collectible within the current accounting period.

Property and equipment: Property and equipment are stated at cost if purchased or, if donated, at estimated fair value on the date of donation, less accumulated depreciation. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful life of the of asset which are as follows:

Buildings and improvements	7-39 years
Furniture and equipment	5-7 years
Automobiles	5 years

Donated property and equipment is reported, at estimated fair value, as an increase in net assets without donor restrictions unless the donor has restricted the donated assets 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 an increase in net assets with donor restrictions. Without donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of the donor restrictions when the donated assets are placed in service, reclassifying net assets with donor restrictions to net assets without donor restrictions at that time. The Organization received no donated property and equipment for the year ended June 30, 2020.

Note 2 - Summary of Significant Accounting Policies (continued)

Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renewals are capitalized.

Compensated absences: The Organization's policies provide for granting a specific number of days to full-time exempt employees of paid time off ("PTO"). In addition, these policies provide for paying an employee an specified percentage for unused PTO, upon termination. Compensated absences are accrued when earned.

Refundable advances and deferred revenue: Revenues received in advance that are not recognized because the allowable costs as defined by the individual grant or contract have not been incurred, the unit of service has not been provided, and/or the conditions of release have not been substantially met or explicitly waived are considered refundable advances. In addition, revenues received in advance from special events and other program income that are considered exchange transactions are deferred to the applicable period.

Revenue and revenue recognition: The Organization recognizes grants and contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, 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 or explicitly waived.

Amounts received prior to meeting certain conditions, including measurable performance or other barriers, providing the unit of service, and/or incurring qualifying expenditures in compliance with the specific grant or contract are reported as a liability, refundable advances, in the statement of financial position.

Revenues from special events that are considered exchange transactions are not recognized until the special event takes place.

Grant and contract revenue is generally billed monthly and is derived from units of service contracts. Amounts received are recognized as revenue when the unit of service has been provided in compliance with the specific contract. Also, any revenue derived from cost-reimbursement contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, is recognized when such expenditures are incurred in compliance with specific contract provisions.

Client services revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for providing patient care. These amounts are due from patients, third-party payers (including health insurers and government programs) and others and includes variable consideration for retroactive adjustments due to settlement of audits, reviews and investigations. Generally, the Organization bills patients and third-party payers several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Note 2 - Summary of Significant Accounting Policies (continued)

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payers, discounts provided to uninsured patients in accordance with the Organization's policy and/or implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on historical collection experience with this class of patients.

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. Therefore, the Organization has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients.

Donated goods and services: Donated services are recognized, at estimated fair value, as a contribution, along with corresponding expense, if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individual with those skills, and would otherwise have been purchased. Donated goods are recorded at their estimated fair market value when received.

Functional expenses: The costs of providing the various programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Program and supporting services are charged with their direct expenses. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include personnel costs, professional services and building occupancy, among other expenses; which are allocated on the basis of estimates of time and effort, square footage basis, as well as other methods as determined from time-to-time by management.

Advertising costs: Advertising costs are charged to expense as incurred.

Concentration of credit risk: Financial instruments, which potentially subject the Organization to concentration of credit risk, consist primarily of receivables, cash and cash equivalents, and investments. The concentration of credit risk with respect to receivables is primarily due to the economic dependency in federal, state and other agencies and the ability to obtain authorization, process and collect balances timely. The Organization has cash in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times throughout the year, the Organization may have cash balances at financial institutions that exceed the insured amount. Cash equivalents and investments are held in brokerage accounts protected by the Securities Investor Protection Corporation ("SIPC") in the event of broker-dealer failure. The SIPC insurance does not protect against market losses in investments. Deposit and investment accounts are maintained with what management believes to be quality financial institutions.

Income taxes: The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (the IRC) and is therefore exempt from corporate income taxation on income related to its exempt function. No provision for income taxes was recorded for the year ended June 30, 2020 since the Organization was deemed by management not to have unrelated business income.

Note 2 - Summary of Significant Accounting Policies (continued)

Use of 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 and disclosure of contingent 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.

Date of management review: Subsequent events were evaluated by management through December 10, 2020, which is the date the financial statements were available for issuance.

Note 3 - Liquidity and Availability of Financial Assets

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial Assets:	
Cash and cash equivalents	\$ 292,899
Investments	2,936
Accounts receivable	81,712
Grants and contracts receivable	<u>118,174</u>
Financial assets, at year-end	<u>495,721</u>
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restrictions by donor with purpose restrictions	<u>(43,160)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 452,561</u>

Note 4 - Investments

At June 30, 2020, the Organization has approximately \$ 2,900 invested in a money market mutual fund that is stated at amortized cost which approximates fair value.

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30, 2020:

Buildings and improvements	\$ 2,652,785
Furniture and equipment	391,061
Automobiles	<u>85,454</u>
	3,129,300
Less accumulated depreciation	<u>1,604,752</u>
	1,524,548
Land	<u>323,700</u>
	<u>\$ 1,848,248</u>

Note 6 - Debt - Paycheck Protection Program

On May 4, 2020, the Organization executed a promissory note for \$ 272,000 under the *Paycheck Protection Program* (“PPP”) authorized by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The loan bears interest rate at 1.00% per annum. Under the PPP, loan funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent, and utility costs and if the Organization maintains certain employment levels during a specified period of time. If the Small Business Administration (“SBA”) confirms full forgiveness of the unpaid balance of the note, the Organization’s obligation under this arrangement will be deemed fully satisfied. The Organization remains obligated to repay to the lender any amount not forgiven, which will mature on the 2nd anniversary of the note. Principal and interest payments are deferred until the lender receives a forgiveness determination from SBA. If the Organization does not apply for forgiveness within 10 months after the last day of their covered period, as applicable, it would be required to make payments on the PPP loan beginning 10 months after the last day of such covered period. At such time, the bank will establish the amount of monthly payments due (principal and interest) based on the remaining time up until its maturity. As of June 30, 2020, the outstanding principal amount of the note payable was \$ 272,000.

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2020:

Subject to expenditure for specified purpose:		
Vocational and job placement programs	\$	6,730
Holistic therapy		12,344
Playground and fitness equipment		13,656
Equine therapy		<u>10,430</u>
Total	\$	<u><u>43,160</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

Satisfaction of purpose restrictions:		
Vocational and job placement programs	\$	180,086
Holistic therapy		32,656
Playground and fitness equipment		1,344
Equine therapy		<u>13,440</u>
Total	\$	<u><u>227,526</u></u>

Note 8 - Governmental Contracts for Client Services

Funding agreements for services to be provided are principally entered into from one to three year installments. The release of funds is subject to monies being made available by the Federal government, the State of Florida, local municipalities and other grantor agencies. Certain of the agreements may be terminated by either party upon thirty days written notice. However, such an event would be unlikely if contract performance continues to be satisfactory and grantors’ annual budgets are authorized by each respective governing body.

Note 8 - Governmental Contracts for Client Services (continued)

For the year ending June 30, 2020, the Organization received the following funding from governmental contracts:

Southeast Florida Behavioral Health Network - PDA51	\$	1,564,364
Florida Alcohol and Drug Abuse Association	\$	83,728

Program expenditures incurred by the Organization are subject to additional audit by grantor agencies. As a result of such audits, the grantor may require that amounts be returned. In certain instances, the grantor may provide additional funds to the Organization to offset amounts which may otherwise be due back to the grantor agencies based on their audits.

In accordance with OMB Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations* and the Florida Single Audit Act, the Organization is required to perform single audits when the required threshold of \$ 750,000 in grant expenditures from either source is met. The Organization did not meet any of these thresholds for the year ended June 30, 2020 and thus no single audit was required.

Note 9 - Retirement Plans

The Organization maintains a 401(k) Plan. All employees twenty-one years of age or older, with one year of service, are eligible to participate in the plan. Employer contributions are at the rate of 10% of each participant's compensation, as defined by the plan and no employee contributions are required, but are permitted. Employees are fully and immediately vested in their pension accounts upon completion of five years of service or age 55 years, whichever comes first. At June 30, 2020, the Organization's contributed pension expense was approximately \$ 84,400 for the year ended June 30, 2020.

Note 10 - Endowment

Two benefactors of the Organization previously established an endowment. The purpose of the endowment is to insure the perpetuity of the Organization and to enable the Organization to continue to offer its services to women unable to pay for treatment and rehabilitation. The principal of the endowment cannot be expended without written consent of the full Board of Directors when, in their judgment, use is necessary for the continuation of the Organization's operations. The income of the fund can be used to supplement employee benefits of the Organization, such as pension costs. Because the funds are not controlled by the Organization, they are not consolidated into these financial statements. The ending asset value of the endowment funds at June 30, 2020 was approximately \$ 3,328,000.

Note 11 - Concentrations in Operations

Approximately 46% of the Organization's total revenue and other support was provided by the State of Florida Department of Children and Families. If a significant reduction in the level of funding were to occur, there could be an adverse effect on the Organization's programs and activities.

Note 12 - Risks and Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the *World Health Organization* designated the coronavirus outbreak a pandemic. Management and the Board of Directors continue to evaluate and monitor the potential adverse effect that the event may have on the Organization's financial position, operations and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimates as these events are still developing.

ADDITIONAL INFORMATION



Wayside House, Inc.
Schedule of Program/Covered Service Actual Expenses and Revenues
For the Year Ended June 30, 2020

	Adult Substance Abuse				
	<u>Residential II</u>	<u>Intervention (Individual)</u>	<u>Incidental Expenses</u>	<u>Medical Services</u>	<u>Medication- Assisted Tx</u>
Funding Sources and Revenues:					
State SAMH Funding:					
Contract/OCA:					
MS011	\$ -	\$ -	\$ 15,279	\$ 32,788	\$ -
MS027	810,157	-	-	-	-
MS023	-	8,921	-	-	-
MSSOR	-	-	-	-	-
MSSM2	-	-	84	1,575	2,547
MS081	20,000	-	-	-	-
MS0TB	65,076	-	1,502	-	-
MSCBS	44,541	-	-	5,512	-
MSTRV	-	-	9,066	-	-
	<u>939,774</u>	<u>8,921</u>	<u>25,931</u>	<u>39,875</u>	<u>2,547</u>
Total State SAMH funding					
	<u>939,774</u>	<u>8,921</u>	<u>25,931</u>	<u>39,875</u>	<u>2,547</u>
Other Governmental Funding:					
Other state agency funding	166,436	-	-	-	83,728
Local government grants	-	-	-	-	-
	<u>166,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,728</u>
Total other government funding					
	<u>166,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,728</u>
All Other Revenues:					
1st and 2nd party payments	249,982	-	-	2,664	-
Contributions and donations	-	-	-	-	-
Other income	11,044	-	-	-	-
	<u>261,026</u>	<u>-</u>	<u>-</u>	<u>2,664</u>	<u>-</u>
Total all other revenue					
	<u>261,026</u>	<u>-</u>	<u>-</u>	<u>2,664</u>	<u>-</u>
Total funding	<u>\$ 1,367,236</u>	<u>\$ 8,921</u>	<u>\$ 25,931</u>	<u>\$ 42,539</u>	<u>\$ 86,275</u>

Wayside House, Inc.
Schedule of Program/Covered Service Actual Expenses and Revenues (continued)
For the Year Ended June 30, 2020

	Adult Substance Abuse				
	<u>Residential II</u>	<u>Intervention (Individual)</u>	<u>Incidental Expenses</u>	<u>Medical Services</u>	<u>Medication- Assisted Tx</u>
Personnel Expenses:					
Salaries and wages	\$ 430,312	\$ 12,555	\$ -	\$ 12,555	\$ 12,555
Fringe benefits	183,023	3,589	-	3,589	3,589
Total personnel expenses	<u>613,335</u>	<u>16,144</u>	<u>-</u>	<u>16,144</u>	<u>16,144</u>
Other Expenses:					
Professional services	96,574	993	-	152,901	993
Food services	206,588	-	-	-	-
Building occupancy	148,786	1,792	1,792	3,586	1,792
Medical and pharmacy	17,042	201	6,038	58,440	67,732
Operating supplies and expenses	79,035	724	592	3,344	724
Fundraising events	-	-	-	-	-
Insurance	20,502	402	-	402	402
Marketing and advertising	15,276	-	-	3,055	-
Client activities	11,056	-	17,705	205	-
Other expenses	6,543	10	-	439	10
Equipment	6,115	119	-	119	119
Travel	8,481	-	-	-	-
Total other expenses	<u>615,998</u>	<u>4,241</u>	<u>26,127</u>	<u>222,491</u>	<u>71,772</u>
Total personnel and other expenses	<u>1,229,333</u>	<u>20,385</u>	<u>26,127</u>	<u>238,635</u>	<u>87,916</u>
Distributed Indirect Costs:					
Administration	143,073	2,026	2,017	24,301	8,739
Total actual operating expenses	<u>1,372,406</u>	<u>22,411</u>	<u>28,144</u>	<u>262,936</u>	<u>96,655</u>
Unallowed Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total allowable operating expenses	<u>\$ 1,372,406</u>	<u>\$ 22,411</u>	<u>\$ 28,144</u>	<u>\$ 262,936</u>	<u>\$ 96,655</u>
Capital Expenditures	<u>\$ 390,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wayside House, Inc.
Schedule of Program/Covered Service Actual Expenses and Revenues (continued)
For the Year Ended June 30, 2020

	<u>Adult Substance Abuse</u>				
	<u>Outpatient (Group)</u>	<u>Outpatient (Individual)</u>	<u>Recovery Support (Individual)</u>	<u>Case Management</u>	<u>Assessment</u>
Funding Sources and Revenues:					
State SAMH Funding:					
Contract/OCA:					
MS011	\$ 55,731	\$ 51,880	\$ 1,806	\$ 301	\$ 19,777
MS027	-	-	-	-	-
MS023	-	-	-	-	-
MSSOR	2,160	320	-	-	-
MSSM2	8,560	9,600	425	29	-
MS081	-	-	-	-	-
MS0TB	1,950	2,000	-	-	-
MSCBS	7,190	5,160	-	-	-
MSTRV	-	-	-	-	-
	<u>75,591</u>	<u>68,960</u>	<u>2,231</u>	<u>330</u>	<u>19,777</u>
Total State SAMH funding					
Other Governmental Funding:					
Other state agency funding	-	-	-	-	-
Local government grants	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other government funding					
All Other Revenues:					
1st and 2nd party payments	39,868	3,302	-	-	-
Contributions and donations	-	-	-	-	-
Other income	-	-	-	-	-
	<u>39,868</u>	<u>3,302</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other revenue					
Total funding	<u>\$ 115,459</u>	<u>\$ 72,262</u>	<u>\$ 2,231</u>	<u>\$ 330</u>	<u>\$ 19,777</u>

Wayside House, Inc.
Schedule of Program/Covered Service Actual Expenses and Revenues (continued)
For the Year Ended June 30, 2020

	Adult Substance Abuse				
	Outpatient (Group)	Outpatient (Individual)	Recovery Support (Individual)	Case Management	Assessment
Personnel Expenses:					
Salaries and wages	\$ 150,662	\$ 50,220	\$ 37,666	\$ 50,220	\$ 37,666
Fringe benefits	43,064	14,354	10,766	14,354	10,766
Total personnel expenses	193,726	64,574	48,432	64,574	48,432
Other Expenses:					
Professional services	18,033	8,259	2,975	3,965	2,975
Food services	-	-	-	-	-
Building occupancy	7,171	7,171	896	896	896
Medical and pharmacy	4,167	4,167	100	100	100
Operating supplies and expenses	4,842	3,581	710	848	710
Fundraising events	-	-	-	-	-
Insurance	4,823	1,607	1,206	1,607	1,206
Marketing and advertising	2,749	2,749	153	153	153
Client activities	737	526	-	-	-
Other expenses	984	471	31	42	31
Equipment	1,438	479	359	479	359
Travel	848	-	-	-	-
Total other expenses	45,792	29,010	6,430	8,090	6,430
Total personnel and other expenses	239,518	93,584	54,862	72,664	54,862
Distributed Indirect Costs:					
Administration	23,808	9,302	5,453	7,223	5,453
Total actual operating expenses	263,326	102,886	60,315	79,887	60,315
Unallowed Costs	-	-	-	-	-
Total allowable operating expenses	\$ 263,326	\$ 102,886	\$ 60,315	\$ 79,887	\$ 60,315
Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

Wayside House, Inc.
Schedule of Program/Covered Service Actual Expenses and Revenues (continued)
For the Year Ended June 30, 2020

	Adult Substance Abuse			Total for State SAMH-Funded Covered Services	Total for Non-State- Funded Covered Services
	Day Treatment	Sustainability Payment	Total Adult Substance Abuse		
Funding Sources and Revenues:					
State SAMH Funding:					
Contract/OCA:					
MS011	\$ 2,053	\$ 23,744	\$ 203,359	\$ 203,359	\$ -
MS027	-	179,826	989,983	989,983	-
MS023	-	-	8,921	8,921	-
MSSOR	1,932	-	4,412	4,412	-
MSSM2	-	-	22,820	22,820	-
MS081	-	-	20,000	20,000	-
MS0TB	-	-	70,528	70,528	-
MSCBS	-	6,436	68,839	68,839	-
MSTRV	-	-	9,066	9,066	-
Total State SAMH funding	<u>3,985</u>	<u>210,006</u>	<u>1,397,928</u>	<u>1,397,928</u>	<u>-</u>
Other Governmental Funding:					
Other state agency funding	-	-	250,164	250,164	-
Local government grants	-	-	-	-	-
Total other government funding	<u>-</u>	<u>-</u>	<u>250,164</u>	<u>250,164</u>	<u>-</u>
All Other Revenues:					
1st and 2nd party payments	-	-	295,816	295,816	-
Contributions and donations	-	-	-	-	-
Other income	-	-	11,044	11,044	-
Total all other revenue	<u>-</u>	<u>-</u>	<u>306,860</u>	<u>306,860</u>	<u>-</u>
Total funding	<u>\$ 3,985</u>	<u>\$ 210,006</u>	<u>\$ 1,954,952</u>	<u>\$ 1,954,952</u>	<u>\$ -</u>

Wayside House, Inc.
Schedule of Program/Covered Service Actual Expenses and Revenues (continued)
For the Year Ended June 30, 2020

	<u>Adult Substance Abuse</u>			<u>Total for State SAMH-Funded Covered Services</u>	<u>Total for Non-State-Funded SAMH Covered Services</u>
	<u>Day Treatment</u>	<u>Sustainability Payment</u>	<u>Total Adult Substance Abuse</u>		
Personnel Expenses:					
Salaries and wages	\$ 12,555	\$ 210,006	\$ 1,016,972	\$ 1,016,972	\$ -
Fringe benefits	3,589	-	290,683	290,683	-
Total personnel expenses	<u>16,144</u>	<u>210,006</u>	<u>1,307,655</u>	<u>1,307,655</u>	<u>-</u>
Other Expenses:					
Professional services	993	-	288,661	288,661	-
Food services	-	-	206,588	206,588	-
Building occupancy	896	-	175,674	175,674	-
Medical and pharmacy	100	-	158,187	158,187	-
Operating supplies and expenses	432	-	95,542	95,542	-
Fundraising events	-	-	-	-	-
Insurance	402	-	32,559	32,559	-
Marketing and advertising	153	-	24,441	24,441	-
Client activities	-	-	30,229	30,229	-
Other expenses	10	-	8,571	8,571	-
Equipment	119	-	9,705	9,705	-
Travel	94	-	9,423	9,423	-
Total other expenses	<u>3,199</u>	<u>-</u>	<u>1,039,580</u>	<u>1,039,580</u>	<u>-</u>
Total personnel and other expenses	<u>19,343</u>	<u>210,006</u>	<u>2,347,235</u>	<u>2,347,235</u>	<u>-</u>
Distributed Indirect Costs:					
Administration	1,923	-	233,318	233,318	-
Total actual operating expenses	<u>21,266</u>	<u>210,006</u>	<u>2,580,553</u>	<u>2,580,553</u>	<u>-</u>
Unallowed Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total allowable operating expenses	<u>\$ 21,266</u>	<u>\$ 210,006</u>	<u>\$ 2,580,553</u>	<u>\$ 2,580,553</u>	<u>\$ -</u>
Capital Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,882</u>	<u>\$ 390,882</u>	<u>\$ -</u>

Wayside House, Inc.
Schedule of Program/Covered Service Actual Expenses and Revenues (continued)
For the Year Ended June 30, 2020

	<u>Total for All Covered Services</u>	<u>Non-SAMH Covered Services</u>	<u>Total for All Covered and Non-SAMH Covered Services</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total Funding</u>
Funding Sources and Revenues:						
State SAMH Funding:						
Contract/OCA:						
MS011	\$ 203,359	\$ -	\$ 203,359	\$ -	\$ -	\$ 203,359
MS027	989,983	-	989,983	-	-	989,983
MS023	8,921	-	8,921	-	-	8,921
MSSOR	4,412	-	4,412	-	-	4,412
MSSM2	22,820	-	22,820	-	-	22,820
MS081	20,000	-	20,000	-	-	20,000
MS0TB	70,528	-	70,528	-	-	70,528
MSCBS	68,839	-	68,839	-	-	68,839
MSTRV	9,066	-	9,066	-	-	9,066
	<u>1,397,928</u>	<u>-</u>	<u>1,397,928</u>	<u>-</u>	<u>-</u>	<u>1,397,928</u>
Total State SAMH funding	<u>1,397,928</u>	<u>-</u>	<u>1,397,928</u>	<u>-</u>	<u>-</u>	<u>1,397,928</u>
Other Governmental Funding:						
Other state agency funding	250,164	-	250,164	-	-	250,164
Local government grants	-	10,000	10,000	-	-	10,000
	<u>250,164</u>	<u>10,000</u>	<u>260,164</u>	<u>-</u>	<u>-</u>	<u>260,164</u>
Total other government funding	<u>250,164</u>	<u>10,000</u>	<u>260,164</u>	<u>-</u>	<u>-</u>	<u>260,164</u>
All Other Revenues:						
1st and 2nd party payments	295,816	-	295,816	-	-	295,816
Contributions and donations	-	1,391,892	1,391,892	-	-	1,391,892
Other income	11,044	9,616	20,660	-	-	20,660
	<u>306,860</u>	<u>1,401,508</u>	<u>1,708,368</u>	<u>-</u>	<u>-</u>	<u>1,708,368</u>
Total all other revenue	<u>306,860</u>	<u>1,401,508</u>	<u>1,708,368</u>	<u>-</u>	<u>-</u>	<u>1,708,368</u>
Total funding	<u>\$ 1,954,952</u>	<u>\$ 1,411,508</u>	<u>\$ 3,366,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,366,460</u>

Wayside House, Inc.
Schedule of Program/Covered Service Actual Expenses and Revenues (continued)
For the Year Ended June 30, 2020

	<u>Total for All Covered Services</u>	<u>Non-SAMH Covered Services</u>	<u>Total for All Covered and Non-SAMH Covered Services</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel Expenses:						
Salaries and wages	\$ 1,016,972	\$ 145,303	\$ 1,162,275	\$ 188,328	\$ 50,220	\$ 1,400,823
Fringe benefits	<u>290,683</u>	<u>107,615</u>	<u>398,298</u>	<u>53,832</u>	<u>14,354</u>	<u>466,484</u>
Total personnel expenses	<u>1,307,655</u>	<u>252,918</u>	<u>1,560,573</u>	<u>242,160</u>	<u>64,574</u>	<u>1,867,307</u>
Other Expenses:						
Professional services	288,661	8,625	297,286	14,873	3,965	316,124
Food services	206,588	-	206,588	-	-	206,588
Building occupancy	175,674	5,517	181,191	1,792	1,792	184,775
Medical and pharmacy	158,187	-	158,187	-	-	158,187
Operating supplies and expenses	95,542	12,093	107,635	6,267	4,493	118,395
Fundraising events	-	-	-	-	49,659	49,659
Insurance	32,559	4,967	37,526	6,030	1,607	45,163
Marketing and advertising	24,441	-	24,441	3,055	7,642	35,138
Client activities	30,229	-	30,229	-	-	30,229
Other expenses	8,571	20,279	28,850	1,015	42	29,907
Equipment	9,705	687	10,392	1,797	479	12,668
Travel	<u>9,423</u>	<u>-</u>	<u>9,423</u>	<u>-</u>	<u>-</u>	<u>9,423</u>
Total other expenses	<u>1,039,580</u>	<u>52,168</u>	<u>1,091,748</u>	<u>34,829</u>	<u>69,679</u>	<u>1,196,256</u>
Total personnel and other expenses	<u>2,347,235</u>	<u>305,086</u>	<u>2,652,321</u>	<u>276,989</u>	<u>134,253</u>	<u>3,063,563</u>
Distributed Indirect Costs:						
Administration	<u>233,318</u>	<u>30,326</u>	<u>263,644</u>	<u>(276,989)</u>	<u>13,345</u>	<u>-</u>
Total actual operating expenses	<u>2,580,553</u>	<u>335,412</u>	<u>2,915,965</u>	<u>-</u>	<u>147,598</u>	<u>3,063,563</u>
Unallowed Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,598</u>	<u>147,598</u>
Total allowable operating expenses	<u>\$ 2,580,553</u>	<u>\$ 335,412</u>	<u>\$ 2,915,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,915,965</u>
Capital Expenditures	<u>\$ 390,882</u>	<u>\$ -</u>	<u>\$ 390,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,882</u>

Wayside House, Inc.
Schedule of Related Party Transaction Adjustments
For the Year Ended June 30, 2020

Wayside House, Inc. did not have any related party transaction adjustments for the year ended June 30, 2020.

Wayside House, Inc.
Schedule of State Earnings
For the Year Ended June 30, 2020

Total Expenditures	\$ 3,063,563
Less: other state and federal funds	-
Less: nonmatch SAMH funds	(1,397,928)
Less: unallowable costs per 65E-14, FAC	<u>(147,598)</u>
Total allowable expenditures	<u>\$ 1,518,037</u>
Maximum Available Earnings	<u>\$ 1,138,528</u>
Amount of State Funds Requiring Match	<u>\$ -</u>
Amount Due to Department *	<u>\$ 1,138,528</u>

* If this amount is negative, the amount due to the department up to the amount on the line listed as "amount of state funds requiring match."

Wayside House, Inc.
Schedule of Bed-Day Availability Payments
For the Year Ended June 30, 2020

Wayside House, Inc. did not have any bed-day payments for the year ended June 30, 2020.

INTERNAL CONTROLS AND COMPLIANCE

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Wayside House, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Wayside House, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
December 10, 2020