

**COMMUNITY BASED CARE OF  
BREVARD, INC.  
D/B/A BREVARD FAMILY  
PARTNERSHIP  
AND AFFILIATES**

**CONSOLIDATED FINANCIAL  
STATEMENTS**

**June 30, 2018**

**Community Based Care of Brevard, Inc.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
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JUNE 30, 2018**

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**INDEPENDENT AUDITORS' REPORT**

**Partners**

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
James R. Dexter  
Thomas F. Regan  
Ernie R. Janvrin  
Paul F. Smyth  
Darby M. Hauck

To the Board of Directors of  
Community Based Care of Brevard, Inc.  
D/B/A Brevard Family Partnership  
Melbourne, Florida

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Community Based Care of Brevard, Inc. and affiliates (the "Organization"), nonprofit corporations, which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Based Care of Brevard, Inc. and affiliates as of June 30, 2018, 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.

501 S. New York Ave.  
Suite 100  
Winter Park, FL 32789  
Phone: 407-644-5811  
Fax: 407-644-6022  
www.mosskrusick.com

631 US Highway 1  
Suite 411  
N. Palm Beach, FL 33408  
Phone: 561-848-9300  
Fax: 561-848-9332

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

**Other Matters***Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying consolidated schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, and State of Florida Chapter 10.650, *Rules of the Auditor General*, is presented for the purpose of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 22, 2018, 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 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.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
December 22, 2018

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**June 30, 2018**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 1,050,800
Grants and contracts receivable	207,851
Prepaid expenses and other current assets	<u>40,470</u>

**TOTAL CURRENT ASSETS** 1,299,121

Investments	144,612
Property and equipment, net	<u>67,013</u>

**TOTAL ASSETS** \$ 1,510,746

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 216,823
Accrued expenses	429,445
Deferred revenue	758,839
Due to Family Allies	<u>28,769</u>

**TOTAL CURRENT LIABILITIES** 1,433,876

**NET ASSETS**

Unrestricted	
Operating income	(64,148)
Invested in capital assets	<u>67,013</u>

Total unrestricted 2,865

Temporarily restricted	<u>74,005</u>
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**TOTAL NET ASSETS** 76,870

**TOTAL LIABILITIES AND NET ASSETS** \$ 1,510,746

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

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2018**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>			
Contracts, grants and contributions from government agencies	\$ 24,512,166	\$ -	\$ 24,512,166
Contracts, grants and contributions from other agencies	389,558	5,222	394,780
Contributions - In-kind services	36,243	-	36,243
Contributions - cash	184,508	-	184,508
Contributions - In-kind gifts and incidental	144,688	-	144,688
Interest income	5,523	-	5,523
Miscellaneous income	81,327	-	81,327
Net assets released from restrictions	9,450	(9,450)	-
	<u>25,363,463</u>	<u>(4,228)</u>	<u>25,359,235</u>
<b>EXPENSES</b>			
Program services	23,552,069	-	23,552,069
Management and general	1,824,439	-	1,824,439
	<u>25,376,508</u>	<u>-</u>	<u>25,376,508</u>
Change in net assets	(13,045)	(4,228)	(17,273)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>15,910</u>	<u>78,233</u>	<u>94,143</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,865</u>	<u>\$ 74,005</u>	<u>\$ 76,870</u>

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

**COMMUNITY BASED CARE OF BREVARD, INC.**  
**D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2018

	<u>Program Services</u>	<u>Mangement and General</u>	<u>Total</u>
Out of home	\$ 4,912,649	\$ -	\$ 4,912,649
Purchased services	6,580,124	404,278	6,984,402
Salaries and benefits	4,840,743	977,407	5,818,150
Adoption	4,296,791	-	4,296,791
Occupancy	718,542	43,808	762,350
Independent living	574,059	-	574,059
IT expenses	268,058	43,856	311,914
Professional and consulting	225,074	48,222	273,296
Travel	215,419	30,518	245,937
Insurance	202,479	58,873	261,352
Community training/conference	91,987	825	92,812
Drug, fingerprinting and background	75,898	10,158	86,056
In-kind and donations	176,072	4,859	180,931
Legal fees	8,286	14,291	22,577
Depreciation	-	52,687	52,687
Public relations	17,658	-	17,658
Supplies	127,167	26,133	153,300
Printing and reproduction	14,068	411	14,479
Staff training/conference	37,875	4,037	41,912
Licenses and accreditation	22,409	11,063	33,472
Membership and dues fees	16,700	18,763	35,463
Communication services	21,938	176	22,114
File retrieval/storage	35,065	3,532	38,597
Leased equipment	9,446	3,675	13,121
Accounting fees	1,134	51,237	52,371
Management fees	-	1,100	1,100
Equipment maintenance	21,640	3,322	24,962
Telephone	9,520	57	9,577
Paper	7,878	776	8,654
Business meetings	6,641	1,625	8,266
Postage & delivery	1,855	3,374	5,229
Employee activities	6,889	593	7,482
Publications and subscriptions	2,120	2,902	5,022
Bank charges	3,072	1,359	4,431
Employment advertising	-	512	512
Agency fundraising	2,813	10	2,823
<b>TOTAL EXPENSES</b>	<u>\$ 23,552,069</u>	<u>\$ 1,824,439</u>	<u>\$ 25,376,508</u>

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

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2018**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Decrease in net assets	\$ (17,273)
Adjustments to reconcile decrease in net assets to net cash provided by operations:	
Depreciation	52,687
Realized loss on sale of investments	(1,062)
Unrealized loss on investments	(3,482)
Increase in grants and contracts receivable	(152,139)
Decrease in due from Family Allies	16,775
Increase in due to Family Allies	28,769
Decrease in prepaid expenses and other current assets	102,058
Increase in accounts payable	104,990
Increase in accrued expenses	28,207
Increase in deferred revenue	<u>375,472</u>
Cash provided by operating activities	<u>535,002</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	<u>(2,655)</u>
Cash used in investing activities	<u>(2,655)</u>
Increase in cash and cash equivalents	532,347
Cash and cash equivalents, beginning of year	<u>518,453</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,050,800</u></u>

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



**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliates (the “Organization”) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

1. Principles of consolidation

The accompanying consolidated financial statements include the accounts of Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and its financially interrelated affiliates, Brevard C.A.R.E.S., Inc. and The National Center for Innovation and Excellence, Inc. which are under common control. Intercompany transactions and balances have been eliminated in consolidation.

2. General

Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership, is a private, non-profit organization established by a group of community providers for the purpose of providing child welfare services on behalf of the State of Florida, Department of Children and Families, District 7 in Brevard County, Florida.

The Organization receives a majority of its program support from contracts with the Department of Children and Families and remaining funds from various state and local sources.

The Organization’s grant agreement is a multiple year contract with the Florida Department of Children and Families (“FDCF”) which was for the period from July 1, 2013 through June 30, 2018 in the amount of \$165,330,136. Each year’s funding of the contract is contingent upon appropriations by the Florida legislature and is therefore considered a conditional promise to give, and is not recorded as a grant receivable.

Brevard C.A.R.E.S., Inc. is a non-profit organization established by Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership on November 1, 2009 for the purpose of providing prevention services to Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership.

The National Center for Innovation and Excellence, Inc. has been created by Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership as an organization that generates new knowledge and thought leadership to strengthen and advance youth, family and community development initiatives.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

3. Basis of accounting and financial statement presentation

The accompanying consolidated financial statements and schedules have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to three classes of net assets as follows:

*Unrestricted* - Net assets not subject to donor-imposed stipulations.

*Temporarily Restricted* - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or passage of time.

*Permanently Restricted* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

4. Use of estimates

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

5. Cash and cash equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

6. Restricted cash and cash equivalents

Restricted cash and cash equivalents includes Social Security funds held by the Organization or dedicated and current needs for children receiving protection, shelter and supervision services. These funds are required to be maintained in a separate bank account.

7. Grants and contracts receivable

Grants and contracts receivable are stated at the amount management expects to collect from balances at year-end. Based on management's assessment of the current relationship and credit worthiness of entities having balances with the Organization, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

8. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reflected in the accounts of the Organization at fair value. Unrealized appreciation and depreciation is based on the market value of investments at year-end, and recognized in the Consolidated Statement of Activities.

9. Property and equipment

Property and equipment acquired by the Organization is considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the assets purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State of Florida has a reversionary interest in those assets purchased with its funds that have a cost of \$1,000 or more and an estimated useful life of at least one year. The Federal Government has a reversionary interest in those assets purchased with its funds that have a cost of \$5,000 or more and an estimated useful life of at least one year.

Furniture and equipment with a value greater than \$1,000 and an estimated useful life of at least one year is capitalized at cost when purchased or at estimated fair market value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from three to seven years. Repairs and maintenance are expensed as incurred.

10. Deferred revenue

Deferred revenue is comprised of amounts received from grantor agencies by the Organization prior to meeting the revenue recognition criteria. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. In subsequent periods, when the revenue recognition criteria have been met, the liability for deferred revenue is reduced and revenue is recognized.

11. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is not restricted is reported as an increase in unrestricted net assets. All other 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 Consolidated Statement of Activities as net assets released from restrictions.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

12. Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

13. Donated services and materials

Contributed services that qualify as specialized services and donated items are recorded at their estimated fair value at the date of receipt. A corresponding amount is recorded as expense. Volunteer services provided to the Organization to carry out its mission do not meet the criterion used to record donated services; therefore, they have not been recorded in the consolidated financial statements.

14. Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled when contract performance obligations are met. The standard is effective for fiscal years beginning after December 15, 2018. Early adoption is not permitted. Management is currently evaluating the impact of adopting the new revenue standard on its consolidated financial statements.

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases, that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. The guidance also eliminates today's real estate specific provisions for all entities. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The new guidance is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Organization is evaluating the potential effects ASU 2016-02 will have on its consolidated financial statements.

In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which is designed to help not-for-profits tell their stories through their financial statements. Not-for-profit financial statements have been prepared under the FASB's current guidance since 1993. The new standard changes presentation and disclosure requirements with the intention of helping not-for-profits provide more relevant information about their resources—and the changes in those resources—to donors, grantors, creditors, and other financial statement users.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

14. Recent accounting pronouncements (continued)

Specifically, ASU 2016-14 decreases the number of net asset classes from three to two, requires disclosure of qualitative information on liquid resources and liquidity risks for meeting cash needs for general expenses within one year, requires reporting and analysis of expenses by function and nature, and enhances reporting and disclosures about underwater endowments. The new net asset classes will be net assets with donor restrictions and net assets without donor restrictions. The standard will take effect for annual financial statements issued for fiscal years beginning after December 15, 2017, and early application of the standard is permitted. The Organization is currently assessing the impact the new standard will have on its consolidated financial statements.

15. Income taxes

The Organization and its affiliates are nonprofit organizations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying consolidated financial statements.

The Organization files income tax returns in the U.S. federal jurisdiction. The Organization is no longer subject to U.S. Federal income tax examinations by tax authorities for years before 2016. Management has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the consolidated financial statements of the Organization.

16. Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through December 22, 2018, the date the consolidated financial statements were available to be issued. No subsequent events have been recognized or disclosed in the consolidated financial statements.

**NOTE B – CASH AND CASH EQUIVALENTS**

The Organization has demand deposits with a national bank with aggregate bank balances amounting to \$1,496,953 at June 30, 2018. At June 30, 2018, the Organization had \$1,246,953 in excess of federally insured limits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Organization's deposits may not be returned.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE B – CASH AND CASH EQUIVALENTS (continued)**

The Organization does have a deposit policy for custodial credit risk, which mandates that at a minimum all demand deposits be made at banks that are federally insured up to FDIC limits. Further, the Organization has enrolled its main operational bank accounts into a repurchase agreement with PNC Bank. The repurchase agreement allows the demand deposits in these accounts to be invested in PNC Bank’s U.S. government securities portfolio.

**NOTE C – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of June 30, 2018:

	<b>Community Based Care of Brevard, Inc.</b>	<b>Brevard C.A.R.E.S., Inc.</b>	<b>Consolidated</b>
Furniture and equipment	\$ 1,074,118	\$ 89,426	\$ 1,163,544
Less: accumulated depreciation	<u>1,007,105</u>	<u>89,426</u>	<u>1,096,531</u>
Net property and equipment	<u>\$ 67,013</u>	<u>\$ -</u>	<u>\$ 67,013</u>

Depreciation expense for the year ended was \$52,687.

**NOTE D – FAIR VALUE MEASUREMENT**

The fair value measurement accounting literature provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2 – Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**COMMUNITY BASED CARE OF BREVARD, INC.  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE D – FAIR VALUE MEASUREMENT (continued)**

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

*Cash* – Valued at quoted market prices.

*Common stock* – Valued at quoted market prices.

*Mutual funds* – Valued at the net asset value of shares held by the Organization at year-end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table summarizes the assets of the Organization for which fair values are determined on a recurring basis as of June 30, 2018:

	<b>Investment Assets at Fair Value as of June 30, 2018</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock	\$ -	\$ -	\$ 144,612	\$ 144,612
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,612</u>	<u>\$ 144,612</u>

The following table sets forth a summary of the changes in the fair value of the Organization's Level 3 financial assets during the year ended June 30, 2018.

Balance, beginning of year	\$ 137,413
Donor contributions	2,655
Net realized and unrealized gain	3,601
Interest and dividend income	1,877
Foundation fee and investment expense	<u>(934)</u>
Balance, end of year	<u>\$ 144,612</u>

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE E – LINES OF CREDIT**

The Organization has a line of credit, with a national bank, that allowed borrowings up to \$500,000, with a stated interest rate of the LIBOR plus 2.5%, but not less than 3.0%. The line of credit has been renewed and matures on February 28, 2019.

An Affiliate has a line of credit, with a national bank, that allows borrowings up to \$150,000, with an interest rate equal to LIBOR plus 2.5%, but not less than 3.0%. The line of credit has been renewed and matures on February 28, 2019.

These lines of credit contain a requirement for financials to be submitted within 120 days of year end. The Organization and an Affiliate received a waiver from the bank regarding this requirement.

**NOTE F – TEMPORARILY RESTRICTED NET ASSETS**

Temporary restrictions on net assets as of June 30, 2018, relate to funds pledged for operations of the Organization and funds received for specific purposes. These restrictions are considered to expire when pledge payments are received and the funds have been expended for the specified purpose. Temporarily restricted net assets as of June 30, 2018, are summarized as follows:

Eckerd Grant	\$ 56,238
Ounce of prevention	7,666
Toy drive	3,545
Foster Home Management	3,084
Adoption	1,885
WalMart Drug Court Grant	1,500
Youth Advisory Council	87
	87
	\$ 74,005

**NOTE G – SIGNIFICANT FUNDING SOURCE**

The Organization receives substantially all of its funding from the U.S. Department of Health and Human Services that is passed through the State of Florida and the Department of Children and Families. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Organization’s programs and activities.

**NOTE H – MATCH REQUIREMENTS**

The grants entitled Promoting Safe and Stable Families and Grants to States for Access and Visitation Programs required a local match of 25% and 10%, respectively. The Organization required the match be obtained from the service providers they contracted with. The amount was not recorded on the Organization’s books. The Organization did, however, report the match amounts obtained by the service providers to the State.



**COMMUNITY BASED CARE OF BREVARD, INC.**  
**D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE I – EMPLOYEE LEASING COMPANY**

The Organization utilizes the service of an employee leasing service for staffing purposes. The employee leasing service provides employee benefits, including health insurance and 401(k) plan participation. All expenses associated with the services provided by the employee leasing service are shown as personnel services. For the year ended June 30, 2018, the Organization made retirement contributions totaling \$125,590.

**NOTE J – COMMITMENTS**

The Organization leases certain office space and copiers under agreements classified as operating leases.

Future minimum lease payments under all such leases having initial non-cancelable terms in excess of one year for each of the next five years and in the aggregate are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2019	\$ 672,850
2020	691,039
2021	705,941
2022	311,566
2023	<u>319,806</u>
	<u>\$ 2,701,202</u>

Total rent expense for the year ended June 30, 2018 was \$699,454.

**NOTE K – CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

**SUPPLEMENTAL INFORMATION**

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

June 30, 2018

	Community Based Care of Brevard, Inc.	Brevard C.A.R.E.S., Inc.	The National Center for Innovation and Excellence, Inc.	Consolidating Entries	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 548,890	\$ 465,832	\$ 36,078	\$ -	\$ 1,050,800
Grants and contracts receivable	39,907	119,613	48,331	-	207,851
Due from affiliate	143,728	-	-	(143,728)	-
Due from parent	-	53,241	-	(53,241)	-
Prepaid expenses and other current assets	32,666	7,804	-	-	40,470
<b>TOTAL CURRENT ASSETS</b>	<b>765,191</b>	<b>646,490</b>	<b>84,409</b>	<b>(196,969)</b>	<b>1,299,121</b>
Investments	144,612	-	-	-	144,612
Property and equipment, net	67,013	-	-	-	67,013
<b>TOTAL ASSETS</b>	<b>\$ 976,816</b>	<b>\$ 646,490</b>	<b>\$ 84,409</b>	<b>\$ (196,969)</b>	<b>\$ 1,510,746</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 212,099	\$ 4,629	\$ 95	\$ -	\$ 216,823
Accrued expenses	302,950	120,933	5,562	-	429,445
Deferred revenue	544,664	214,175	-	-	758,839
Due to affiliate	53,241	-	-	(53,241)	-
Due to parent	-	-	143,728	(143,728)	-
Due to Family Allies	28,769	-	-	-	28,769
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,141,723</b>	<b>339,737</b>	<b>149,385</b>	<b>(196,969)</b>	<b>1,433,876</b>
<b>NET ASSETS</b>					
Unrestricted					
Operating income	(305,925)	306,753	(64,976)	-	(64,148)
Invested in capital assets	67,013	-	-	-	67,013
Total unrestricted	(238,912)	306,753	(64,976)	-	2,865
Temporarily restricted	74,005	-	-	-	74,005
<b>TOTAL NET ASSETS</b>	<b>(164,907)</b>	<b>306,753</b>	<b>(64,976)</b>	<b>-</b>	<b>76,870</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 976,816</b>	<b>\$ 646,490</b>	<b>\$ 84,409</b>	<b>\$ (196,969)</b>	<b>\$ 1,510,746</b>

See independent auditors' report.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

Year Ended June 30, 2018

	Community Based Care of Brevard, Inc. Unrestricted	Community Based Care of Brevard, Inc. Restricted	Community Based Care of Brevard, Inc. Total	Brevard C.A.R.E.S., Inc. Total	The National Center for Innovation and Excellence, Inc. Total	Consolidating Entries	Total
<b>REVENUES AND SUPPORT</b>							
Contracts, grants and contributions from government agencies	\$ 24,512,166	\$ -	\$ 24,512,166	\$ 1,995,812	\$ -	\$ (1,995,812)	\$ 24,512,166
Contracts, grants and contributions from other agencies	279,844	5,222	285,066	109,714	-	-	394,780
Contributions - In-kind services	341	-	341	35,815	87	-	36,243
Contributions - cash	35,877	-	35,877	3,789	144,842	-	184,508
Contributions - In-kind gifts and incidental	141,285	-	141,285	3,173	230	-	144,688
Interest income	4,461	-	4,461	1,062	-	-	5,523
Miscellaneous income	75,603	-	75,603	5,724	-	-	81,327
Net assets released from restrictions	9,450	(9,450)	-	-	-	-	-
<b>Total revenues and support</b>	<b>25,059,027</b>	<b>(4,228)</b>	<b>25,054,799</b>	<b>2,155,089</b>	<b>145,159</b>	<b>(1,995,812)</b>	<b>25,359,235</b>
<b>EXPENSES</b>							
Program services	23,514,311	-	23,514,311	1,890,407	124,553	(1,977,202)	23,552,069
Management and general	1,556,055	-	1,556,055	263,480	23,514	(18,610)	1,824,439
<b>Total expenses</b>	<b>25,070,366</b>	<b>-</b>	<b>25,070,366</b>	<b>2,153,887</b>	<b>148,067</b>	<b>(1,995,812)</b>	<b>25,376,508</b>
Change in net assets	(11,339)	(4,228)	(15,567)	1,202	(2,908)	-	(17,273)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>(227,573)</b>	<b>78,233</b>	<b>(149,340)</b>	<b>305,551</b>	<b>(62,068)</b>	<b>-</b>	<b>94,143</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ (238,912)</b>	<b>\$ 74,005</b>	<b>\$ (164,907)</b>	<b>\$ 306,753</b>	<b>\$ (64,976)</b>	<b>\$ -</b>	<b>\$ 76,870</b>

See independent auditors' report.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2018

	Community Based Care of Brevard, Inc.			Brevard C.A.R.E.S., Inc.			The National Center for Innovation and Excellence, Inc.			Consolidating Entries	Total
	Program Services	Management and General	Total	Program Services	Management and General	Total	Program Services	Management and General	Total		
Out of home	4,912,624	-	\$ 4,912,624	25	-	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ 4,912,649
Purchased services	8,450,562	404,278	8,854,840	89,811	-	89,811	-	-	-	(1,960,249)	6,984,402
Salaries and benefits	3,309,386	743,729	4,053,115	1,531,357	233,678	1,765,035	-	-	-	-	5,818,150
Adoption	4,296,791	-	4,296,791	-	-	-	-	-	-	-	4,296,791
Occupancy	659,113	38,109	697,222	59,429	5,699	65,128	-	-	-	-	762,350
Independent living	574,059	-	574,059	-	-	-	-	-	-	-	574,059
IT expenses	268,033	42,621	310,654	25	-	25	-	1,235	1,235	-	311,914
Professional and consulting	152,303	48,222	200,525	4,160	-	4,160	68,611	-	68,611	-	273,296
Travel	103,782	24,052	127,834	105,349	6,466	111,815	6,288	-	6,288	-	245,937
Insurance	199,697	57,022	256,719	2,782	278	3,060	-	1,573	1,573	-	261,352
Community training/conference	58,840	-	58,840	4,669	825	5,494	28,478	-	28,478	-	92,812
Drug, fingerprinting and background	73,767	8,560	82,327	2,131	1,598	3,729	-	-	-	-	86,056
In-kind and donations	141,624	-	141,624	34,448	4,542	38,990	-	317	317	-	180,931
Legal fees	8,130	14,291	22,421	156	-	156	-	-	-	-	22,577
Depreciation	-	52,687	52,687	-	-	-	-	-	-	-	52,687
Public relations	17,658	-	17,658	-	-	-	-	-	-	-	17,658
Supplies	115,397	24,931	140,328	9,683	1,056	10,739	2,087	146	2,233	-	153,300
Printing and reproduction	9,413	30	9,443	2,979	381	3,360	1,676	-	1,676	-	14,479
Staff training/conference	22,494	3,283	25,777	15,230	754	15,984	151	-	151	-	41,912
Licenses and accreditation	14,146	10,275	24,421	8,263	567	8,830	-	221	221	-	33,472
Membership and dues fees	11,446	18,146	29,592	5,254	617	5,871	-	-	-	-	35,463
Communication services	20,179	-	20,179	1,759	176	1,935	-	-	-	-	22,114
File retrieval/storage	32,202	3,251	35,453	2,863	281	3,144	-	-	-	-	38,597
Leased equipment	8,619	3,592	12,211	827	83	910	-	-	-	-	13,121
Accounting fees	-	45,841	45,841	1,134	5,101	6,235	-	295	295	-	52,371
Management fees - ML	-	1,100	1,100	-	-	-	-	-	-	-	1,100
Equipment maintenance	19,627	3,122	22,749	2,013	200	2,213	-	-	-	-	24,962
Telephone	7,273	-	7,273	2,247	57	2,304	-	-	-	-	9,577
Paper	7,355	724	8,079	523	52	575	-	-	-	-	8,654
Business meetings	5,541	838	6,379	431	787	1,218	669	-	669	-	8,266
Postage & delivery	1,582	3,092	4,674	210	19	229	63	263	326	-	5,229
Employee activities	5,790	341	6,131	1,099	252	1,351	-	-	-	-	7,482
Publications and subscriptions	1,879	2,209	4,088	241	11	252	-	682	682	-	5,022
Bank charges	2,536	1,287	3,823	45	-	45	491	72	563	-	4,431
Employment advertising	-	422	422	-	-	-	-	90	90	-	512
Agency fundraising	2,463	-	2,463	350	-	350	-	10	10	-	2,823
Cares support unit expense	-	-	-	914	-	914	-	-	-	(914)	-
NCIE support unit expense	-	-	-	-	-	-	16,039	18,610	34,649	(34,649)	-
<b>TOTAL EXPENSES</b>	<b>\$ 23,514,311</b>	<b>\$ 1,556,055</b>	<b>\$ 25,070,366</b>	<b>\$ 1,890,407</b>	<b>\$ 263,480</b>	<b>\$ 2,153,887</b>	<b>\$ 124,553</b>	<b>\$ 23,514</b>	<b>\$ 148,067</b>	<b>\$ (1,995,812)</b>	<b>\$ 25,376,508</b>

See independent auditors' report.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES**

**CONSOLIDATING STATEMENT OF CASH FLOWS**

Year Ended June 30, 2018

	<u>Community Based Care of Brevard, Inc.</u>	<u>Brevard C.A.R.E.S., Inc.</u>	<u>The National Center for Innovation and Excellence, Inc.</u>	<u>Consolidating Entries</u>	<u>Consolidated Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Increase (decrease) in net assets	\$ (15,567)	\$ 1,202	\$ (2,908)	\$ -	\$ (17,273)
Adjustments to reconcile decrease in net assets to net cash provided by operations:					
Depreciation	52,687	-	-	-	52,687
Realized loss on sale of investments	(1,062)	-	-	-	(1,062)
Unrealized loss on investments	(3,482)	-	-	-	(3,482)
Increase in grants and contracts receivables	(16,493)	(90,644)	(45,002)	-	(152,139)
Decrease (increase) in due from affiliate	(34,986)	19,949	50,000	(34,963)	-
Decrease in due from Family Allies	16,775	-	-	-	16,775
Increase in due to Family Allies	28,769	-	-	-	28,769
Increase (decrease) in due to parent	(69,949)	(15,456)	50,442	34,963	-
Increase (decrease) in prepaid expenses	102,293	(235)	-	-	102,058
Increase in accounts payable	101,122	3,773	95	-	104,990
Increase (decrease) in accrued expenses	37,747	17,301	(26,841)	-	28,207
Increase in deferred revenue	161,297	214,175	-	-	375,472
	<u>359,151</u>	<u>150,065</u>	<u>25,786</u>	<u>-</u>	<u>535,002</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of investments	<u>(2,655)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,655)</u>
	<u>(2,655)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,655)</u>
Increase in cash and cash equivalents	356,496	150,065	25,786	-	532,347
Cash and cash equivalents, beginning of year	<u>192,394</u>	<u>315,767</u>	<u>10,292</u>	<u>-</u>	<u>518,453</u>
Cash and cash equivalents, end of year	<u>\$ 548,890</u>	<u>\$ 465,832</u>	<u>\$ 36,078</u>	<u>\$ -</u>	<u>\$ 1,050,800</u>

See independent auditors' report.



**INDEPENDENT AUDITORS' 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**

**Partners**

- W. Ed Moss, Jr.
- Joe M. Krusick
- Cori G. Cameron
- Bob P. Marchewka
- Ric Perez
- James R. Dexter
- Thomas F. Regan
- Ernie R. Janvrin
- Paul F. Smyth
- Darby M. Hauck

501 S. New York Ave.  
 Suite 100  
 Winter Park, FL 32789  
 Phone: 407-644-5811  
 Fax: 407-644-6022  
 www.mosskrusick.com

631 US Highway 1  
 Suite 411  
 N. Palm Beach, FL 33408  
 Phone: 561-848-9300  
 Fax: 561-848-9332

American Institute of  
 Certified Public  
 Accountants

Florida Institute of  
 Certified Public  
 Accountants

To the Board of Directors of  
 Community Based Care of Brevard, Inc.  
 D/B/A Brevard Family Partnership  
 Melbourne, Florida

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 consolidated financial statements of Community Based Care of Brevard, Inc. and affiliates, which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 22, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Community Based Care of Brevard, Inc. and affiliates' 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Based Care of Brevard, Inc. and affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Community Based Care of Brevard, Inc. and affiliates' 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 Community Based Care of Brevard, Inc. and affiliates' consolidated 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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Based Care of Brevard, Inc. and affiliates' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
December 22, 2018





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE OF FLORIDA CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

**Partners**

- W. Ed Moss, Jr.
- Joe M. Krusick
- Cori G. Cameron
- Bob P. Marchewka
- Ric Perez
- James R. Dexter
- Thomas F. Regan
- Ernie R. Janvrin
- Paul F. Smyth
- Darby M. Hauck

To the Board of Directors of  
Community Based Care of Brevard, Inc.  
D/B/A Brevard Family Partnership  
Melbourne, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited Community Based Care of Brevard, Inc. and affiliates' compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Community Based Care of Brevard, Inc. and affiliates' major federal programs and state projects for the year ended June 30, 2018. Community Based Care of Brevard, Inc. and affiliates' major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Community Based Care of Brevard, Inc. and affiliates' major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U. S. *Code of Federal Regulations Part 200. Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Community Based Care of Brevard, Inc. and affiliates' compliance.

**Opinion on Each Major Federal Program and State Project**

In our opinion, Community Based Care of Brevard, Inc. and affiliates complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2018.

501 S. New York Ave.  
Suite 100  
Winter Park, FL 32789  
Phone: 407-644-5811  
Fax: 407-644-6022  
www.mosskrusick.com

631 US Highway 1  
Suite 411  
N. Palm Beach, FL 33408  
Phone: 561-848-9300  
Fax: 561-848-9332

American Institute of  
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Certified Public  
Accountants

## Report on Internal Control Over Compliance

Management of Community Based Care of Brevard, Inc. and affiliates is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Based Care of Brevard, Inc. and affiliates' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Based Care of Brevard, Inc. and affiliates' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
December 22, 2018

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FEDERAL PROGRAMS AND STATE PROJECTS**

**June 30, 2018**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

- |   |               |
|---|---------------|
| 1. Type of auditors’ report issued:   | Unmodified    |
| 2. Internal control over financial reporting:   |               |
| a. Material weakness(es) identified?  | No            |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted?                                  | No            |

**Federal Awards**

- |   |               |
|---|---------------|
| 1. Type of auditors’ report issued on compliance for major programs:                              | Unmodified    |
| 2. Internal control over major programs:  |               |
| a. Material weakness(es) identified?  | No            |
| b. Significant deficiencies identified that are not considered to be material weaknesses?         | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | No            |
| 4. Dollar threshold used to distinguish between Type A and Type B programs                        | \$750,000     |
| 5. Auditee qualified as low-risk auditee?   | Yes           |

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Adoption Assistance Title IV-E	93.659
Temporary Assistance for Needy Families	93.558
Child Welfare Services	93.645

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FEDERAL PROGRAMS AND STATE PROJECTS**

**June 30, 2018**

**Section I – Summary of Auditors’ Results (continued)**

**State Financial Assistance**

- |   |               |
|---|---------------|
| 1. Type of auditors’ report issued on compliance for major projects:  | Unmodified    |
| 2. Internal control over major projects:  |               |
| a. Material weakness(es) identified?  | No            |
| b. Significant deficiencies identified that are not considered to be material weaknesses?   | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, Rules of the Auditor General | No            |
| 4. Dollar threshold used to distinguish between Type A and Type B projects  | \$300,000     |

Identification of major projects:

<u>Name of State Project</u>	<u>CSFA Number</u>
Out-of-Home Support	60.074
Sexually Exploited Children	60.138
Extended Foster Care	60.141

**Section II – Financial Statement Findings**

None (no corrective action plan or management letter required)

**Section III – Federal Award Findings and Questioned Costs**

None (no corrective action plan or management letter required)

**Section IV – Status of Prior Year Audit Findings**

None (no corrective action plan or management letter required)

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2018**

Federal/State Agency, Pass-Through Entity, State Project	CFDA/ CSFA Number	Grantor's Contract Number	Expenditures
<b>FEDERAL AWARDS</b>			
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed through State of Florida			
Department of Children and Families:			
Promoting Safe and Stable Families	93.556	GJ401	\$ 574,404
Social Services Block Grant	93.667	GJ401	942,114
Temporary Assistance for Needy Families-TANF Cluster	93.558	GJ401	1,787,165
Foster Care Title IV-E	93.658	GJ401	4,693,081
Child Welfare Services-State Grants	93.645	GJ401	742,118
Adoption Assistance	93.659	GJ401	2,719,940
Medical Assistance Program	93.778	GJ401	5,416
Chafee Foster Care Independence Program	93.674	GJ401	179,152
Chafee Education and Training Vouchers Program	93.599	GJ401	92,426
Grants to States for Access and Visitation Programs	93.597	GJ401	8,799
Child Abuse and Neglect State Grants	93.669	GJ401	47,271
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 11,791,886</u></b>
<b>STATE FINANCIAL ASSISTANCE</b>			
<b>State of Florida, Department of Children and Families:</b>			
Out of Home Supports	60.074	GJ401	\$ 416,297
In Home Supports	60.075	GJ401	60,373
Extended Foster Care Program	60.141	GJ401	744,319
Independent Living Program	60.112	GJ401	56,979
CBC-Sexually Exploited Children	60.138	GJ401	192,789
<b>Total Expenditures of State Financial Assistance</b>			<b><u>\$ 1,470,757</u></b>
<b>STATE MATCHING OF FEDERAL AWARDS</b>			
<b>Department of Children and Families</b>			
Promoting Safe and Stable Families	93.556	GJ401	\$ 14,988
Chafee Education and Training Vouchers Program	93.599	GJ401	23,107
Child Welfare Services-State Grants	93.645	GJ401	247,373
Adoption Assistance	93.659	GJ401	2,048,386
Chafee Foster Care Independence Program	93.674	GJ401	44,793
Medical Assistance Program	93.778	GJ401	23,140
Block Grants for Community Mental Health Services	93.958	GJ401	251,354
Temporary Assistance for Needy Families-TANF Cluster	93.558	GJ401	2,302,292
Foster Care Title IV-E	93.658	GJ401	6,294,090
<b>Total Expenditures of State Matching of Federal Awards</b>			<b><u>\$ 11,249,523</u></b>
<b>TOTAL FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE, AND STATE MATCHING OF FEDERAL AWARDS</b>			<b><u>\$ 24,512,166</u></b>

**Note (1): Basis of Accounting**

The Consolidated Schedule of Expenditures of Federal Awards and State Financial Assistance is prepared on the accrual basis of accounting.

**Note (2): Basis of Consolidation**

The Consolidated Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal awards and state financial assistance received by Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and its financially interrelated affiliate, Brevard C.A.R.E.S., Inc., which are under common control. Intercompany transactions have been eliminated in consolidation.

**Note (3): Service Provided Contracts**

Only revenues earned in accordance with the contract terms are reported as expenditures on the Consolidated Schedule of Expenditures of Federal Awards and State Financial Assistance.

**Note (4): Indirect Cost Rates**

The Organization has elected to not use the 10% de minimis indirect cost rate for its federal programs and state projects for the year ended June 30, 2018. The indirect cost rates used on the Organization's federal programs and state projects are determined by the relevant federal or state agency.

See independent auditors' report

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (Continued)  
YEAR ENDED JUNE 30, 2018**

**Note (5): Sub-recipients**

Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliates have obtained and acted upon required sub-recipient audit reports and these reports meet the requirements of Title 2 U.S.Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, Rules of the Auditor General, State of Florida. The audit reports have been submitted within the required time frames and audit findings have been addressed within six months. Of the expenses presented in the accompanying Consolidated Schedule of Federal Awards and State Financial Assistance, Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership provided federal and state awards under contract GJ401 to sub-recipients as follows:

Federal Awards:		
U.S. Department of Health and Human Services		
Promoting Safe and Stable Families	93.556	\$ 356,382
Social Services Block Grant	93.667	506,958
Temporary Assistance for Needy Families	93.558	678,607
Foster Care Title IV-E	93.658	2,415,843
Child Welfare Services-State Grant	93.645	386,081
Adoption Assistance	93.659	458,425
Medical Assistance Program	93.778	409
Chafee Foster Care Independence Program	93.674	133,321
Child Abuse and Neglect State Grants	93.669	39,135
State Access & Visitation Grant	93.597	8,799
		<hr/>
Total Federal		4,983,960
State Financial Assistance:		
State of Florida, Department of Children and Families		
Out-of-Home Supports	60.074	4,591
In-Home Support	60.075	9,427
CBC - Extended Foster Care Program	60.141	570,901
Independent Living Program	60.112	25,270
CBC-Sexually Exploited Children	60.138	192,789
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Total State		802,978
		<hr/>
Total Federal Awards and State Financial Assistance		\$ 5,786,938
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Subrecipients are as follows:		
Aspire		\$ 12,149
Brevard Behavioral Consultants		5,695
Brevard C.A.R.E.S.		506,653
B&V Labelle		54,750
Children's Home Society		135,627
Coastal Behavioral Therapy		18,534
Crossroads Hope Academy		7,154
Crosswinds Youth Services		269,138
Crystal Lake Supportive Environments		121,888
Devereux		156,899
Eckerd Youth Alternatives		256,948
Family Allies		2,914,910
FBCH - Porch Light		37,500
FI United Methodist		36,376
Friends of Children and Families		279,853
Hands of Mercy Everywhere Inc.		34,062
Home Safe		11,530
Impower		212,946
Justice Works		94,690
Kids in Distress		835
LifePaths		7,408
Miami Bridges		2,880
Pediatric Pavillion		6,823
Redefining Refuge		12,067
Reyna Group Home		23,083
Royal Priesthood I		77,347
St. Augustine Youth Services		14,997
Tender at Heart		66,000
The Grove		19,351
The Haven for Children		337,125
Yellow Umbrella		51,720
		<hr/>
		\$ 5,786,938
		<hr/>

See independent auditors' report.