

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

**CONSOLIDATED FINANCIAL  
STATEMENTS**

**June 30, 2020**

	<u>Page (s)</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 18
<b>SUPPLEMENTAL INFORMATION</b>	
Consolidating Statement of Financial Position	19
Consolidating Statement of Activities	20
Consolidating Statement of Functional Expenses	21
Consolidating Statement of Cash Flows	22
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 <i>Government Auditing Standards</i>	23 - 24
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	25 - 26
Schedule of Findings and Questioned Costs - Federal Programs and State Projects	27 - 29
Consolidated Schedule of Expenditures of Federal Awards and State Financial Assistance	30 - 31



**Partners**

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
Thomas F. Regan  
Ernie R. Janvrin  
Richard F. Hayes  
Renee C. Varga  
Shawn M. Marshall

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 405  
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

**INDEPENDENT AUDITORS' REPORT**

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") (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2020, 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, 2020, and the changes in their net assets and their 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 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. Also, 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 purposes 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 January 28, 2021, 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.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
January 28, 2021

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

June 30, 2020

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 2,839,755
Grants and contracts receivable	350,488
Due from Family Allies	1,019,196
Prepaid expenses and other current assets	<u>89,920</u>

**TOTAL CURRENT ASSETS** 4,299,359

Investments	157,512
Property and equipment, net	<u>129,867</u>

**TOTAL ASSETS** \$ 4,586,738

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 1,095,019
Accrued expenses	706,985
Refundable Advance	2,373,750
Due to Family Allies	<u>222</u>

**TOTAL CURRENT LIABILITIES** 4,175,976

**NET ASSETS**

Without donor restrictions	
Operating income	211,488
Invested in capital assets	<u>129,867</u>

Total without donor restrictions 341,355

With donor restrictions	<u>69,407</u>
-------------------------	---------------

**TOTAL NET ASSETS** 410,762

**TOTAL LIABILITIES AND NET ASSETS** \$ 4,586,738

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, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>			
Contracts, grants and contributions from government agencies	\$ 25,407,116	\$ -	\$ 25,407,116
Contracts, grants and contributions from other agencies	25,921	3,346	29,267
Contributions - In-kind services	1,190	-	1,190
Contributions - Cash	291,660	-	291,660
Contributions - In-kind gifts and incidental	61,000	-	61,000
Contributions - PPP	1,130,800	-	1,130,800
Interest income	3,177	-	3,177
Miscellaneous income	772,306	-	772,306
Net assets released from restrictions	10,977	(10,977)	-
	<u>27,704,147</u>	<u>(7,631)</u>	<u>27,696,516</u>
<b>EXPENSES</b>			
Program services	24,791,899	-	24,791,899
Management and general	2,815,637	-	2,815,637
	<u>27,607,536</u>	<u>-</u>	<u>27,607,536</u>
Change in net assets	96,611	(7,631)	88,980
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>244,744</u>	<u>77,038</u>	<u>321,782</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 341,355</u>	<u>\$ 69,407</u>	<u>\$ 410,762</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, 2020**

	<u>Program Services</u>	<u>Mangement and General</u>	<u>Total</u>
Out of home	\$ 5,046,224	\$ -	\$ 5,046,224
Purchased services	6,485,896	60,627	6,546,523
Salaries and benefits	5,424,110	1,555,691	6,979,801
Adoption	5,706,606	-	5,706,606
Occupancy	434,943	383,825	818,768
Independent living	614,913	-	614,913
IT expenses	114,846	248,699	363,545
Professional and consulting	103,069	8,159	111,228
Travel	181,758	24,818	206,576
Insurance	70,055	189,470	259,525
Community training/conference	47,939	2,577	50,516
Expendable furniture	32,747	47,613	80,360
Drug, fingerprinting and background	80,403	19,323	99,726
In-kind and donations	62,615	-	62,615
Legal fees	1,388	13,841	15,229
Depreciation	44,255	-	44,255
Public relations	3,811	300	4,111
Supplies	38,186	74,081	112,267
Printing and reproduction	13,314	268	13,582
Staff training/conference	36,656	6,415	43,071
Licenses and accreditation	74,234	21,107	95,341
Membership and dues fees	45,802	286	46,088
Communication services	14,034	13,193	27,227
File retrieval/storage	30,883	7,735	38,618
Leased equipment	15,934	14,288	30,222
Accounting fees	-	71,634	71,634
Management fees	-	1,021	1,021
Equipment maintenance	8,670	10,696	19,366
Telephone	30,420	11,018	41,438
Paper	3,759	4,629	8,388
Business meetings	5,460	514	5,974
Postage and delivery	2,565	3,459	6,024
Employee activities	9,578	49	9,627
Publications and subscriptions	6,758	4,874	11,632
Bank charges	-	11,172	11,172
Agency fundraising	68	4,255	4,323
<b>TOTAL EXPENSES</b>	<b><u>\$ 24,791,899</u></b>	<b><u>\$ 2,815,637</u></b>	<b><u>\$ 27,607,536</u></b>

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, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 88,980
Adjustments to reconcile change in net assets to net cash provided by operations:	
Depreciation	44,255
Realized gain on sale of investments	(1,784)
Unrealized gain on investments	(6,745)
Decrease in grants and contracts receivable	535,743
Increase in due from Family Allies	(875,769)
Increase in prepaid expenses and other current assets	(30,644)
Increase in accounts payable	147,514
Increase in accrued expenses	139,684
Increase in refundable advance	<u>1,993,838</u>
Cash provided by operating activities	<u>2,035,072</u>
Increase in cash and cash equivalents	2,035,072
Cash and cash equivalents, beginning of year	<u>804,683</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,839,755</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, 2020**

**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 Organization 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, 2023 in the amount of \$252,072,999. 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 Organization 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, 2020**

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

3. Basis of accounting and financial statement presentation

The accompanying 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 two classes of net assets as follows:

*Net Assets Without Donor Restrictions*

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

*Net Assets With Donor Restrictions*

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Some net assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

See Note G for more information on the composition of net assets with donor restrictions.

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.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

6. Restricted cash and cash equivalents

Restricted cash and cash equivalents includes Social Security funds held by the Organization for 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.

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 \$5,000 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.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

10. Refundable Advance

Refundable advance 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 refundable advance is reduced and revenue is recognized.

11. Contributions

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

The Organization adopted ASC 958 and all related amendments effective July 1, 2019. The adoption of the new standard has no significant impact on the Organization's consolidated financial statements.

Contributions received are recorded as without donor or with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is not restricted is reported as an increase in net assets without donor restrictions. All other support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restrictions.

12. Functional allocation of expenses

The cost of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses present the natural classification detail of expenses by function. 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.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

14. Recent accounting pronouncements

In May 2014, the 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, 2021. The Organization is currently evaluating the impact of adopting the new revenue standard on its 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. 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, 2021. Early adoption is permitted. The Organization is evaluating the potential effects ASU 2016-02 will have on its 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 2018. 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 January 28, 2021, the date the consolidated financial statements were available to be issued. No subsequent events have been recognized or disclosed in the consolidated financial statements.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

17. Risk and uncertainty

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

**NOTE B – CASH AND CASH EQUIVALENTS**

The Organization has demand deposits with a national bank with aggregate bank balances amounting to \$2,598,700 at June 30, 2020. At June 30, 2020, the Organization had \$2,348,700 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.

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.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE C – PROPERTY AND EQUIPMENT**

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

	<b>Community Based Care of Brevard, Inc.</b>	<b>Brevard C.A.R.E.S., Inc.</b>	<b>Consolidated</b>
Furniture and equipment	\$ 1,220,327	\$ 89,426	\$ 1,309,753
Less: accumulated depreciation	<u>1,090,460</u>	<u>89,426</u>	<u>1,179,886</u>
Net property and equipment	<u>\$ 129,867</u>	<u>\$ -</u>	<u>\$ 129,867</u>

Depreciation expense for the year ended was \$44,255.

**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.

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.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

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, 2020:

	<b>Investment Assets at Fair Value as of June 30, 2020</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock	\$ -	\$ -	\$ 157,512	\$ 157,512
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,512</u>	<u>\$ 157,512</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, 2020:

Balance, beginning of year	\$ 148,983
Net realized and unrealized gain	7,295
Interest and dividend income	2,255
Foundation fee and investment expense	<u>(1,021)</u>
Balance, end of year	<u>\$ 157,512</u>

**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, 2021.



**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE E – LINES OF CREDIT (continued)**

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, 2021.

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 – PAYCHECK PROTECTION PROGRAM LOAN**

In April 2020, the Organization and its affiliate each obtained a Paycheck Protection Program (PPP) Loan under a program offered by the United States Small Business Administration (SBA) in the amounts of \$721,300 and \$409,500, respectively. The Organization and its affiliate are accounting for the PPP Loans as a conditional contribution under ASC 958-605. Formal forgiveness has not yet been obtained but the Organization and its affiliate have begun the process. However, the Organization and its affiliate met substantially all the conditions of the PPP and recognized revenue of \$721,300 and \$409,500, respectively, during the year ended June 30, 2020. The loan program's expenditures and results are subject to review and acceptance by the SBA and, as a result of such review, adjustments could be required.

**NOTE G – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30, 2020, 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. Net assets with donor restrictions as of June 30, 2020, are summarized as follows:

Eckerd Grant	\$ 56,238
Ounce of prevention	7,666
Toy drive	2,487
Foster Home Management	1,429
WalMart Drug Court Grant	1,500
Youth Advisory Council	87
	<u>87</u>
	<u>\$ 69,407</u>

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE H – NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions for the year ended June 30, 2020 are as follows:

Toy drive	6,406
Foster Home Management	<u>4,571</u>
	<u>\$ 10,977</u>

**NOTE I – 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 J – 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.

**NOTE K – 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, 2020, the Organization made retirement contributions totaling \$150,897.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE L – 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:

Years Ending June 30,	Amount
2021	\$ 781,367
2022	388,804
2023	398,910
2024	2,506
	\$ 1,571,587

Total rent expense for the year ended June 30, 2020 was \$772,063.

**NOTE M – 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.

**NOTE N – FUNCTIONAL EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, salaries and wages, benefits, payroll taxes, professional services, office expenses, insurance, and others, which are allocated on the basis of estimates of time and effort.

**COMMUNITY BASED CARE OF BREVARD, INC.  
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE O – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization’s financial assets available within one year of the statements of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 2,839,755
Grants and contracts receivable	350,488
Due from Family Allies	<u>1,019,196</u>
Total financial assets available within one year	<u>4,209,439</u>
Less:	
Accounts payable	1,095,019
Accrued expenses	706,985
Refundable advance	2,373,750
Due to Family Allies	<u>222</u>
Total financial liabilities due within one year	<u>4,175,976</u>
Total financial assets available within one year	<u>\$ 33,463</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs the Organization has a committed line of credit of \$500,000, which it could draw upon. In addition, an affiliate has a committed line of credit of \$150,000, which it could draw upon.

A portion of cash and cash equivalents and grants and contracts receivable are set aside per donor restrictions. The total amount restricted is in the amount of \$69,407. The remaining grants and contracts receivable not restricted are expected to be received within one year.

Prepaid, property and equipment, and other asset amounts are amounts not available for spending amounts.

**SUPPLEMENTAL INFORMATION**

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

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

June 30, 2020

	<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>Total</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 1,898,681	\$ 887,986	\$ 53,088	\$ -	\$ 2,839,755
Grants and contracts receivable	34,261	309,352	6,875	-	350,488
Due from affiliate	952,264	2,056	-	(954,320)	-
Due from parent	-	92,166	8,285	(100,451)	-
Due from Family Allies	1,018,138	1,058	-	-	1,019,196
Prepaid expenses and other current assets	61,636	24,389	3,895	-	89,920
<b>TOTAL CURRENT ASSETS</b>	<b>3,964,980</b>	<b>1,317,007</b>	<b>72,143</b>	<b>(1,054,771)</b>	<b>4,299,359</b>
Investments	157,512	-	-	-	157,512
Property and equipment, net	129,867	-	-	-	129,867
<b>TOTAL ASSETS</b>	<b>\$ 4,252,359</b>	<b>\$ 1,317,007</b>	<b>\$ 72,143</b>	<b>\$ (1,054,771)</b>	<b>\$ 4,586,738</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 1,095,019	\$ -	\$ -	\$ -	\$ 1,095,019
Accrued expenses	517,801	189,184	-	-	706,985
Refundable advance	2,373,750	-	-	-	2,373,750
Due to affiliate	114,810	-	2,056	(116,866)	-
Due to parent	-	721,681	216,224	(937,905)	-
Due to Family Allies	-	-	222	-	222
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,101,380</b>	<b>910,865</b>	<b>218,502</b>	<b>(1,054,771)</b>	<b>4,175,976</b>
<b>NET ASSETS</b>					
Without donor restrictions					
Operating income (loss)	(48,295)	406,142	(146,359)	-	211,488
Invested in capital assets	129,867	-	-	-	129,867
Total without donor restrictions	81,572	406,142	(146,359)	-	341,355
With donor restrictions	69,407	-	-	-	69,407
<b>TOTAL NET ASSETS</b>	<b>150,979</b>	<b>406,142</b>	<b>(146,359)</b>	<b>-</b>	<b>410,762</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,252,359</b>	<b>\$ 1,317,007</b>	<b>\$ 72,143</b>	<b>\$ (1,054,771)</b>	<b>\$ 4,586,738</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, 2020

	<b>Community Based Care of Brevard, Inc. Without Donor Restrictions</b>	<b>Community Based Care of Brevard, Inc. With Donor Restrictions</b>	<b>Community Based Care of Brevard, Inc. Total</b>	<b>Brevard C.A.R.E.S., Inc. Total</b>	<b>The National Center for Innovation and Excellence, Inc. Total</b>	<b>Consolidating Entries</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>							
Contracts, grants and contributions from government agencies	\$ 25,407,116	\$ -	\$ 25,407,116	\$ 1,820,377	\$ -	\$ (1,820,377)	\$ 25,407,116
Contracts, grants and contributions from other agencies	25,921	3,346	29,267	-	-	-	29,267
Contributions - In-kind services	-	-	-	1,190	-	-	1,190
Contributions - Cash	69,640	-	69,640	12,825	209,195	-	291,660
Contributions - In-kind gifts and incidental	60,900	-	60,900	100	-	-	61,000
Contributions - PPP	721,300	-	721,300	409,500	-	-	1,130,800
Interest income	2,830	-	2,830	347	-	-	3,177
Miscellaneous income	281,568	-	281,568	490,738	-	-	772,306
Net assets released from restrictions	10,977	(10,977)	-	-	-	-	-
<b>Total revenues and support</b>	<b>26,580,252</b>	<b>(7,631)</b>	<b>26,572,621</b>	<b>2,735,077</b>	<b>209,195</b>	<b>(1,820,377)</b>	<b>27,696,516</b>
<b>EXPENSES</b>							
Program services	23,896,862	-	23,896,862	2,549,120	114,800	(1,768,883)	24,791,899
Management and general	2,610,242	-	2,610,242	140,602	116,287	(51,494)	2,815,637
<b>Total expenses</b>	<b>26,507,104</b>	<b>-</b>	<b>26,507,104</b>	<b>2,689,722</b>	<b>231,087</b>	<b>(1,820,377)</b>	<b>27,607,536</b>
Change in net assets	73,148	(7,631)	65,517	45,355	(21,892)	-	88,980
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>8,424</b>	<b>77,038</b>	<b>85,462</b>	<b>360,787</b>	<b>(124,467)</b>	<b>-</b>	<b>321,782</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 81,572</b>	<b>\$ 69,407</b>	<b>\$ 150,979</b>	<b>\$ 406,142</b>	<b>\$ (146,359)</b>	<b>\$ -</b>	<b>\$ 410,762</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, 2020

	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	5,046,183	-	\$ 5,046,183	41	-	\$ 41	\$ -	\$ -	\$ -	\$ -	\$ 5,046,224
Purchased services	8,239,855	22,575	8,262,430	13,324	38,052	51,376	1,600	-	1,600	(1,768,883)	6,546,523
Salaries and benefits	3,204,753	1,424,062	4,628,815	2,219,357	78,249	2,297,606	-	53,380	53,380	-	6,979,801
Adoption	5,706,606	-	5,706,606	-	-	-	-	-	-	-	5,706,606
Occupancy	370,028	375,408	745,436	64,915	8,417	73,332	-	-	-	-	818,768
Independent living	614,913	-	614,913	-	-	-	-	-	-	-	614,913
IT expenses	111,613	248,699	360,312	2,283	-	2,283	950	-	950	-	363,545
Professional and consulting	11,695	6,029	17,724	106	-	106	91,268	2,130	93,398	-	111,228
Travel	74,942	19,590	94,532	99,530	3,639	103,169	7,286	1,589	8,875	-	206,576
Insurance	67,301	187,398	254,699	2,754	271	3,025	-	1,801	1,801	-	259,525
Community training/conference	31,969	2,577	34,546	2,335	-	2,335	13,635	-	13,635	-	50,516
Expendable furniture	32,747	47,613	80,360	-	-	-	-	-	-	-	80,360
Drug, fingerprinting and background	76,442	19,323	95,765	3,961	-	3,961	-	-	-	-	99,726
In-kind and donations	61,325	-	61,325	1,290	-	1,290	-	-	-	-	62,615
Legal fees	1,388	12,490	13,878	-	316	316	-	1,035	1,035	-	15,229
Depreciation	44,255	-	44,255	-	-	-	-	-	-	-	44,255
Public relations	3,811	300	4,111	-	-	-	-	-	-	-	4,111
Supplies	30,175	68,367	98,542	8,011	3,422	11,433	-	2,292	2,292	-	112,267
Printing and reproduction	8,556	152	8,708	4,758	30	4,788	-	86	86	-	13,582
Staff training/conference	15,703	4,875	20,578	20,953	1,306	22,259	-	234	234	-	43,071
Licenses and accreditation	15,394	18,740	34,134	58,840	1,267	60,107	-	1,100	1,100	-	95,341
Membership and dues fees	42,372	-	42,372	3,430	286	3,716	-	-	-	-	46,088
Communication services	12,041	13,002	25,043	1,993	191	2,184	-	-	-	-	27,227
File retrieval/storage	26,824	7,352	34,176	4,059	383	4,442	-	-	-	-	38,618
Leased equipment	10,693	13,773	24,466	5,241	515	5,756	-	-	-	-	30,222
Accounting fees	-	71,465	71,465	-	169	169	-	-	-	-	71,634
Management fees - ML	-	1,021	1,021	-	-	-	-	-	-	-	1,021
Equipment maintenance	7,636	10,610	18,246	1,034	86	1,120	-	-	-	-	19,366
Telephone	8,278	8,883	17,161	22,142	2,135	24,277	-	-	-	-	41,438
Paper	2,899	4,553	7,452	814	74	888	46	2	48	-	8,388
Business meetings	2,815	494	3,309	2,645	-	2,645	-	20	20	-	5,974
Postage & delivery	1,767	3,334	5,101	798	5	803	-	120	120	-	6,024
Employee activities	5,833	-	5,833	3,745	-	3,745	-	49	49	-	9,627
Publications and subscriptions	6,050	3,602	9,652	693	689	1,382	15	583	598	-	11,632
Bank charges	-	10,007	10,007	-	1,093	1,093	-	72	72	-	11,172
Agency fundraising	-	3,948	3,948	68	7	75	-	300	300	-	4,323
NCIE support unit expense	-	-	-	-	-	-	-	51,494	51,494	(51,494)	-
<b>TOTAL EXPENSES</b>	<b>\$ 23,896,862</b>	<b>\$ 2,610,242</b>	<b>\$ 26,507,104</b>	<b>\$ 2,549,120</b>	<b>\$ 140,602</b>	<b>\$ 2,689,722</b>	<b>\$ 114,800</b>	<b>\$ 116,287</b>	<b>\$ 231,087</b>	<b>\$ (1,820,377)</b>	<b>\$ 27,607,536</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, 2020

	<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>					
Change in net assets	\$ 65,517	\$ 45,355	\$ (21,892)	\$ -	\$ 88,980
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:					
Depreciation	44,255	-	-	-	44,255
Realized gain on investments	(1,784)	-	-	-	(1,784)
Unrealized gain on investments	(6,745)	-	-	-	(6,745)
Decrease (increase) in grants and contracts receivables	772,002	(229,384)	(6,875)	-	535,743
Increase in due from affiliate	(728,952)	(2,056)	-	731,008	-
Decrease (increase) due from parent	-	61,457	(11,799)	(49,658)	-
Increase in due from Family Allies	(875,689)	(80)	-	-	(875,769)
Decrease (increase) in prepaid expenses	(20,781)	(10,693)	830	-	(30,644)
Increase in due to parent	-	723,030	9,409	(732,439)	-
Increase (decrease) in due to affiliate	(53,145)	-	2,056	51,089	-
Increase (decrease) in accounts payable	148,814	(1,300)	-	-	147,514
Increase in accrued expenses	132,387	7,297	-	-	139,684
Increase in refundable advance	1,993,838	-	-	-	1,993,838
Cash provided by (used in) operating activities	<u>1,469,717</u>	<u>593,626</u>	<u>(28,271)</u>	<u>-</u>	<u>2,035,072</u>
Increase (decrease) in cash and cash equivalents	1,469,717	593,626	(28,271)	-	2,035,072
Cash and cash equivalents, beginning of year	<u>428,964</u>	<u>294,360</u>	<u>81,359</u>	<u>-</u>	<u>804,683</u>
Cash and cash equivalents, end of year	<u>\$ 1,898,681</u>	<u>\$ 887,986</u>	<u>\$ 53,088</u>	<u>\$ -</u>	<u>\$ 2,839,755</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  
Thomas F. Regan  
Ernie R. Janvrin  
Richard F. Hayes  
Renee C. Varga  
Shawn M. Marshall

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 (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2020, 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, and have issued our report thereon dated January 28, 2021.

**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.

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 405  
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

## **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 from 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 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  
January 28, 2021



**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  
Thomas F. Regan  
Ernie R. Janvrin  
Richard F. Hayes  
Renee C. Varga  
Shawn M. Marshall

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 405  
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

**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, 2020. 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, 2020.

### **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  
January 28, 2021

**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, 2020**

**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? | No            |
| 3. Noncompliance material to financial statements noted?                                  | None reported |

**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?   | No            |

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
Social Services Block Grant	93.667
Stephanie Tubbs Jones 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, 2020**

**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  | \$750,000     |

Identification of major projects:

<u>Name of State Project</u>	<u>CSFA Number</u>
Out-of-Home Support	60.074
Purchase of Therapeutic Services for Children	60.183

**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, 2020**

**Section II – Financial Statement Findings**

None (no financial statement findings 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**

**Material Weakness: 2019-001 Monthly account closing and bank reconciliations**

Criteria: General ledger accounts should be closed and bank accounts reconciled and reviewed on a monthly basis.

Condition: Accounts were not properly closed and bank reconciliations were not prepared on a timely basis. Fiscal 2019 account reconciliations were not completed until February 2020.

Cause: The Organization did not follow its accounting policy of completing account closing and reconciliations at month end.

Effect: The lack of timely account closing and bank reconciliations resulted in a material audit adjustment.

Recommendation: The Organization should follow its accounting policy to complete account closing and bank reconciliations within 20 days of the receipt of the bank statement.

Status: Resolved. The Organization is following its accounting policy to properly close its books and prepare bank reconciliations on a monthly basis.



**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, 2020**

<b>Federal/State Agency, Pass-Through Entity, State Project</b>	<b>CFDA/ CSFA Number</b>	<b>Grantor's Contract Number</b>	<b>Expenditures</b>
<b>FEDERAL AWARDS</b>			
<b>U.S. Department of Health and Human Services</b>			
Passed through State of Florida			
Department of Children and Families:			
Promoting Safe and Stable Families	93.556	GJ401	\$ 806,535
Social Services Block Grant	93.667	GJ401	1,187,697
Temporary Assistance for Needy Families-TANF Cluster	93.558	GJ401	2,649,084
Foster Care Title IV-E	93.658	GJ401	3,300,759
Child Welfare Services-State Grants	93.645	GJ401	491,739
Adoption Assistance	93.659	GJ401	3,320,292
Medical Assistance Program	93.778	GJ401	7,806
Chafee Foster Care Independence Program	93.674	GJ401	202,911
Chafee Education and Training Vouchers Program	93.599	GJ401	80,028
Grants to States for Access and Visitation Programs	93.597	GJ401	6,871
Child Abuse and Neglect State Grants	93.669	GJ401	64,796
<b>Total Expenditures of Federal Awards</b>			<b>\$ 12,118,518</b>
<b>STATE FINANCIAL ASSISTANCE</b>			
<b>State of Florida, Department of Children and Families:</b>			
Out of Home Supports	60.074	GJ401	\$ 694,151
Extended Foster Care Program	60.141	GJ401	459
CBC-Purchase of Therapeutic Services for Children	60.183	GJ401	223,840
Independent Living Program	60.112	GJ401	53,553
<b>Total Expenditures of State Financial Assistance</b>			<b>\$ 972,003</b>
<b>STATE MATCHING OF FEDERAL AWARDS</b>			
<b>Department of Children and Families</b>			
Promoting Safe and Stable Families	93.556	GJ401	\$ 152,171
Chafee Education and Training Vouchers Program	93.599	GJ401	20,894
Child Welfare Services-State Grants	93.645	GJ401	164,626
Adoption Assistance	93.659	GJ401	2,009,859
Chafee Foster Care Independence Program	93.674	GJ401	87,997
Medical Assistance Program	93.778	GJ401	7,806
Temporary Assistance for Needy Families-TANF Cluster	93.558	GJ401	1,741,398
Foster Care Title IV-E	93.658	GJ401	8,131,844
<b>Total Expenditures of State Matching of Federal Awards</b>			<b>\$ 12,316,595</b>
<b>TOTAL FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE, AND STATE MATCHING OF FEDERAL AWARDS</b>			<b>\$ 25,407,116</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, 2020. 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, 2020**

**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	\$ 593,617
Social Services Block Grant	93.667	129,741
Temporary Assistance for Needy Families	93.558	1,331,156
Foster Care Title IV-E	93.658	1,338,612
Child Welfare Services-State Grant	93.645	229,847
Adoption Assistance	93.659	268,068
Chafee Foster Care Independence Program	93.674	211,628
Child Abuse and Neglect State Grants	93.669	<u>55,334</u>
 Total Federal		 <u>4,158,003</u>

State Financial Assistance:

State of Florida, Department of Children and Families		
Out-of-Home Supports	60.074	39,776
CBC - Purchase Therapeutic Services for Children	60.183	<u>89,285</u>
 Total State		 <u>129,061</u>
 Total Federal Awards and State Financial Assistance		 <u>\$ 4,287,064</u>

Subrecipients are as follows:

Brevard Behavioral Consultants		\$ 22,744
Brevard C.A.R.E.S.		1,048,700
Coastal Behavioral Therapy		114,156
Crosswinds Youth Services		229,927
Del B		41,246
Devereux		29,324
Eckerd Youth Alternatives		36,000
Family Allies		2,030,829
FBCH - Porch Light		5,579
FI United Methodist		12,919
Friends of Children and Families		54,954
Impower		457,416
LifePaths		8,786
Pediatric Pavillion		1,165
Reyna Group Home		9,855
Tender at Heart		2,281
The Grove		3,708
The Haven for Children		108,110
Yellow Umbrella		<u>69,365</u>
		<u>\$ 4,287,064</u>

See independent auditors' report.