FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

PARTNERSHIP FOR STRONG FAMILIES, INC.

JUNE 30, 2017

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Purvis Gray & Company

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Partnership for Strong Families, Inc.

Report on the Financial Statements
We have audited the accompanying financial statements of Partnership for Strong Families, Inc. (the Organization) a nonprofit organization, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2017, 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.

Certified Public Accountants
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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

To the Board of Directors
Partnership for Strong Families, Inc.

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Matters

Report on Summarized Comparative Information
We have previously audited the Organization's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 12, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2017, 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 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.

Purvis, Gray and Company, LLP

December 11, 2017
Gainesville, Florida

PARTNERSHIP FOR STRONG FAMILIES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR JUNE 30, 2016

ASSETS

	2017	2016
Current Asset		
Cash and Cash Equivalents	$ 3,111,542	$ 2,623,537
Accounts Receivable, Net of Allowance for Doubtful Accounts of $14,500, for 2017 and 2016	57,831	115,215
Prepaid Expenses and Other Assets	212,432	162,397
Total Current Assets	3,381,805	2,901,149
Property and Equipment, Net	361,640	508,354
Non Current Assets		
Restricted Cash - Client Trust Funds	77,453	55,227
Deposits	28,877	26,000
Other Assets	107,869	107,869
Total Non Current Assets	214,199	189,096
Total Assets	3,957,644	3,598,599

LIABILITIES AND NET ASSETS

	2017	2016
Current Liabilities		
Accounts Payable	1,641,577	1,373,544
Accrued Payroll and Related Expenses	403,656	433,587
Deferred Revenue	791,216	799,479
Total Current Liabilities	2,836,449	2,606,610
Long-term Liabilities		
Client Trust Funds	77,453	55,227
Total Long-term Liabilities	77,453	55,227
Total Liabilities	2,913,902	2,661,837
Net Assets		
Unrestricted - Net Investment in Property and Equipment	361,640	508,354
Unrestricted	682,102	428,408
Total Net Assets	1,043,742	936,762
Total Liabilities and Net Assets	$ 3,957,644	$ 3,598,599

See accompanying notes.

PARTNERSHIP FOR STRONG FAMILIES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	2017	2016
Revenues		
Government Grant - DCF	$ 33,678,266	$ 33,083,183
Contract Revenue	535,602	369,690
Contributions (In-Kind, Gifts, and Cash)	888,941	1,060,387
Interest and Other Revenues	31,400	14,573
Total Revenues	35,134,209	34,527,833
Expenses		
Administrative	1,526,186	1,748,609
Adoptions	10,680,176	9,648,852
Case Management	11,053,338	11,507,975
Family Preservation	1,844,253	1,684,822
Independent Living	923,819	995,110
Out of Home Care	5,316,440	5,578,443
Prevention	1,934,760	2,026,500
Other	1,748,257	1,454,181
(Total Expenses)	35,027,229	34,644,492
Changes in Net Assets	106,980	(116,659)
Net Assets, Beginning of Year	936,762	1,053,421
Net Assets, End of Year	$ 1,043,742	$ 936,762

See accompanying notes.

PARTNERSHIP FOR STRONG FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	2017			
	Administrative	Adoptions	Case Management	Family Preservation
Expenses				
Adoptions	$ 18,658	$ 9,531,965	$ 20,089	$ 1,200
Case Management	(181)	(1,622)	6,096,265	224,830
Depreciation	51,621	23,900	23,900	-
Employee Support	7,674	2	3,903	-
Independent Living	-	-	-	-
In-Kind/Donations	-	-	-	-
Insurance	132,952	51,721	49,478	1,040
Occupancy	72,266	23,898	585,939	1,307
Out of Home Care-Room and Board	-	-	-	21,000
Out of Home Care-Support	-	-	85,454	7,298
Purchased Services	23,145	151,802	5,475	1,498,911
Salaries and Benefits	634,325	849,260	3,730,233	87,955
Support	473,568	12,067	206,374	202
Telecommunications/Information Technology	109,046	11,524	216,548	49
Travel Meals and Lodging	3,112	25,659	29,680	461
Total Expenses	$ 1,526,186	$ 10,680,176	$ 11,053,338	$ 1,844,253

See accompanying notes.

2017					2016
Independent Living	Out of Home Care	Prevention	Other	Total	Totals
$ -	$ -	$ -	$ 4,543	$ 9,576,455	$ 9,180,629
161,969	(250)	(94)	157,305	6,638,222	6,988,760
-	1,992	23,900	68,185	193,498	235,959
-	-	104	15,238	26,921	40,350
761,850	-	-	-	761,850	995,110
-	-	-	253,035	253,035	268,899
-	-	51,721	153,072	439,984	290,497
-	-	91,250	85,504	860,164	826,946
-	3,800,323	-	198	3,821,521	3,943,628
-	292,604	1,396	10,036	396,788	404,126
-	1,210,677	931,253	13,214	3,834,477	3,944,334
-	-	764,135	909,883	6,975,791	6,312,514
-	4,668	51,571	40,093	788,543	730,247
-	-	15,791	6,248	359,206	409,911
-	6,426	3,733	31,703	100,774	72,582
$ 923,819	$ 5,316,440	$ 1,934,760	$ 1,748,257	$ 35,027,229	$ 34,644,492

See accompanying notes.

PARTNERSHIP FOR STRONG FAMILIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	2017	2016
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	$ 106,980	$ (116,659)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	193,499	235,959
(Increase) Decrease in Operating Activities:		
Accounts Receivable	57,384	179,890
Prepaid Expenses and Other Assets	(52,912)	46,443
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	(44,915)	(308,614)
Deferred Revenue	274,754	(821,139)
Net Cash Provided by (Used in) Operating Activities	534,790	(784,120)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(46,785)	(51,482)
Purchase of Investment	-	(50,000)
Net Cash (Used in) Investing Activities	(46,785)	(101,482)
Net Increase (Decrease) in Cash and Cash Equivalents	488,005	(885,602)
Cash and Cash Equivalents, Beginning of Year	2,623,537	3,509,139
Cash and Cash Equivalents, End of Year	$ 3,111,542	$ 2,623,537

Supplemental Information

	2017	2016
Taxes Paid	$ 15	$ 3,150

See accompanying notes.

Note 1 - Summary of Significant Accounting Policies

General

Partnership for Strong Families, Inc. (the Organization) has entered into a contract with the State of Florida, Department of Children and Families (DCF) to administer, integrate, coordinate, and assure the delivery of child protection services, emergency shelter, in-home protective services, relative care placements, foster care, intensive residential treatments, independent living, family reunification, and family prevention, adoption, and appropriate related services. Support for these services is provided primarily by DCF. The Organization provides services in Alachua, Baker, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Levy, Madison, Suwannee, Taylor, and Union Counties.

Basis of Financial Reporting

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

- **Unrestricted Net Assets**
  Net Assets that are not subject to donor-imposed stipulations. Any restricted net assets that are received and expensed in the same fiscal year are classified as unrestricted net assets.

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

- **Permanently Restricted Net Assets**
  Net assets subject to donor-imposed stipulations.

The Organization has no restricted net assets as of June 30, 2017.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Income Tax

The Organization is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income from unrelated business activities. The Organization’s tax expense related to outsourced Information Technology services provided to another nonprofit organization was $15 during the fiscal year ended June 30, 2017.

The Organization files income tax returns in the U.S. federal jurisdiction. The Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2014. The Organization 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 uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

Note 1 - **Summary of Significant Accounting Policies** ***(Continued)***

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.

Accounts Receivable

Accounts receivable are stated at net realizable value. In determining whether or not to record an allowance for doubtful accounts, management makes a judgmental determination based on an evaluation of the facts and circumstances related to each account based on aging and historical trends.

Restricted Cash-Client Trust Funds

Cash restricted and set aside on behalf of clients is not available for operating purposes.

Property and Equipment

Property and equipment is recorded at cost. The Organization's capitalization threshold is $1,000. Depreciation is calculated by the straight-line method over estimated useful lives of three to fifteen years. Contributed assets are recorded at their estimated fair value at the date of contribution. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Equipment repairs and maintenance are expensed as incurred. Property and equipment purchased with government grants will revert back to the grantor if the Organization ceases to exist. In addition, proceeds from the sale of such assets are to be returned to or expended upon approval by grantor.

Allocation of Supporting Services Expenses

The Organization's policy is to allocate that part of the supporting services expenses associated with programs to the individual programs, based on each program's direct program cost to total program costs.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are reported as an increase in unrestricted net assets unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due within one year are recorded at their net realizable value. Unconditional promises to give due after one year are reported at the present value of their net realizable value, using risk-free interest rates applicable for the years in which the promises are to be received.

In-kind Contributions

Professional contributed services are recognized at fair value, except for the work of volunteers for which no monetary value has been assigned. The Organization recognized the following in contributions:

Professional Services	$	559,080
Donated Rent		39,298
Total In-kind Contributions	$	598,378

Note 1 - **Summary of Significant Accounting Policies** ***(Concluded)***

Prior Period Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 11, 2017, the date the financial statements were available to be issued.

Upcoming New Accounting Standard Updates (ASU)

The Financial Accounting Standards Board (FASB) has issued the following ASUs that could affect the financial reporting requirements of the Organization in the near future:

- ***ASU 2016-14, Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities—***This new standard will substantially change the format for financial reporting that is currently required. Primarily, the statement of financial position will change for the classification of net assets when donor restrictions apply to two categories and in the statement of activities, the amount of the changes in the two categories of net assets will be shown rather than that of the currently required three classes. Additional enhanced disclosures will also be required among other reporting requirements. This comprehensive new standard will be effective for fiscal years beginning after December 15, 2017.

- ***ASU 2014-09, Revenue from Contracts with Customers (Topic 606)—***This standard introduced a comprehensive, principles-based framework for recognizing revenue, and when effective, will supersede the revenue recognition requirements in *FASB ASC 605 Revenue Recognition*, and virtually all industry-specific revenue recognition guidance in the FASB ASC. However, the standards for the recognition of revenue from contributions by nonprofit organizations will be retained in FASB ASC 958-605 which will be retitled *Not-for-profit Entities-Revenue Recognition Contributions*. This new standard is effective for annual reporting periods beginning after December 15, 2018.

- ***ASU 2016-01, Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities—***This new standard makes targeted improvements in the recognition, measurement, presentation, and disclosure of financial instruments. This standard is effective for fiscal years beginning after December 15, 2018.

- ***ASU 2016-02, Leases (Topic 842)—***This standard will increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities by leases for those leases classified as operating leases under previous GAAP. For most not-for-profit entities this standard is effective for fiscal years beginning after December 15, 2019.

Note 2 - Accounts Receivable

Accounts receivable include amounts due from individuals for reimbursement of overpayments to foster or adoptive parents. Management reviews the accounts receivable on a monthly basis for uncollectible amounts.

The Organization's grant agreement is a multiple year contract with Florida Department of Children and Families in the amount of $162,264,127 for the contract period from July 1, 2014 through June 30, 2019. 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.

Note 3 - Property and Equipment

Property and equipment at June 30, 2017, consists of the following:

Automobiles	$ 784,827
Leasehold Improvements	118,004
Office Furniture and Equipment	1,236,923
(Accumulated Depreciation)	(1,778,114)
Total Property and Equipment	$ 361,460

Depreciation expense was $193,498 for the year ended June 30, 2017.

Note 4 - Concentrations

Economic Dependency
The Organization receives a substantial portion of its support from the State of Florida. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

Cash and Cash Equivalents
The Organization follows the cash management practice of sweeping all excess cash at the end of the day into overnight repurchase agreements. These agreements are uninsured, but are collateralized by U.S. Government Agency securities that are held in the bank's name. For purposes of the statements of cash flows, the Organization considers all deposit accounts cash and cash equivalents.

Note 5 - Line of Credit

The Organization maintains a $2,000,000 unsecured line of credit with Ameris Bank. The line of credit has a variable interest rate based on "Prime Rate" defined as a fluctuating rate of interest equal to the highest annual rate of interest which is published from time to time in the "Money Rates" section of the Wall Street Journal. The Organization has no amounts outstanding as of June 30, 2017.

Note 6 - Investment in Community Based Care Integrated Health, LLC (CBCIH)

During 2006, the Organization became a limited partner in the Community Based Care Partnership, Inc. (the Partnership) for the purpose of bidding on the State of Florida's Child Welfare Prepaid Mental Health Plan. The Partnership was ultimately awarded the agreement, and the Organization, as a limited partner, entered into a prepaid, capitated agreement with the

Note 6 - Investment in Community Based Care Integrated Health, LLC (CBCIH) *(Concluded)*

Partnership beginning June 1, 2007. In May of 2014, the Partnership dissolved and the Organization became a limited partner in the CBC Integrated Health, LLC to continue providing care coordination and administrative services for both mental and general health for children in care. The Organization provided child welfare mental health services under the contract during the year ended June 30, 2017, recognizing revenue of $332,965.

Note 7 - Investment in CBC Casualty

During 2016, the Organization and four other Community Based Care Lead Agency corporations each made initial capital contributions of $50,000 to establish CBC Casualty Insurance, LLC (CBCCI). CBCCI is an insurance captive established for the purpose of issuing deductible buy-back insurance policies and providing risk management support to the participating members. The Organization and the other four members each own 20% of CBCCI.

Note 8 - Retirement Plan

The Organization provides a 401(k) retirement program for all eligible employees. The plan is funded by both employee deferrals and an employer matching contribution. The employer matching contribution for the year ended June 30, 2017, was $171,156.

Note 9 - Leases

The Organization conducts its operations from leased office space and equipment. The majority of the leases are noncancellable unless federal and state funding ceases. These leases are classified as operating leases. Rent expense under all leases for the year ended June 30, 2017, amounted to $881,030.

Future minimum lease payments under all such leases having initial noncancellable terms in excess of one year are as follows:

Year Ending June 30,	Amount
2018	$ 825,415
2019	778,872
2020	673,145
2021	628,302
2022	512,226
Thereafter	1,641,080
Total Minimum Payments	$ 5,059,040

Note 10 - Litigation

At times, the Organization has been a defendant in various lawsuits. The Organization vigorously defends itself and the amount of any material liability would be covered by general liability insurance. As of June 30, 2017, the Organization was not a defendant in any lawsuit.

Note 11 - <u>Newly Established Related Entities</u>

As of June 30, 2017 and subsequent to year-end, the Board of Directors of the Organization formed four wholly owned and related entities including; Intercountry Adoption Accreditation and Maintenance Entity, Inc., a Florida not-for-profit corporation, Real Estate Acquisition for Children, LLC., a Florida limited liability corporation, Service Management Solutions for Children Inc., a Florida Corporation, and Technology and Solutions for Children, LLC., a Florida limited liability corporation. All newly formed organizations had not commenced operations as of year-end but are intended to provide goods and services that assist in the purpose and mission of Partnership for Strong Families.

Note 12 - <u>Related Party</u>

During the fiscal year, the Organization made payments of approximately $1,071,875 to a Company that provides counseling services to clients of the Organization. The Company is owned by the spouse of a key employee of the Organization, who refrains from all decision making responsibilities regarding these services.

SUPPLEMENTARY INFORMATION

PARTNERSHIP FOR STRONG FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2017

Federal/State Grantor, Pass-Through Grantor, Program, Project, or Cluster Title	CFDA/ CSFA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Federal Awards				
U.S. Department of Health and Human Services				
Passed Through State of Florida, Department of Children and Families:				
Medicaid Cluster:				
Medical Assistance Program (Medicaid; Title XIX)	93.778	CJ149	$ -	$ 141,296
Promoting Safe and Stable Families	93.556	CJ149	27,824	698,567
Temporary Assistance for Needy Families	93.558	CJ149	928,213	2,447,111
Grants to States for Access and Visitation Programs	93.597	CJ149	-	32,792
Chafee Education and Training Vouchers Program (ETV)	93.599	CJ149	-	76,630
Adoption Incentive Payments	93.603	CJ149	-	69,067
Stephanie Tubbs Jones Child Welfare Services	93.645	CJ149	216,952	426,947
Foster Care - Title IV-E	93.658	CJ149	2,164,487	5,635,011
Adoption Assistance	93.659	CJ149	462,228	5,773,008
Social Services Block Grant	93.667	CJ149	200,793	796,575
Child Abuse and Neglect State Grants	93.669	CJ149	9,453	42,359
Chafee Foster Care Independence Program	93.674	CJ149	113,310	229,546
Total Expenditures of Federal Awards			4,123,260	16,368,909
State Financial Assistance				
Direct Award:				
Passed Through State of Florida, Department of Children and Families:				
Out-Of-Home Supports	60.074	CJ149	-	1,858,648
In-Home Supports	60.075	CJ149	-	431,484
CBC - Adoption Services	60.076	CJ149	-	155,863
Independent Living Program	60.112	CJ149	138,362	207,754
CBC - Sexually Exploited Children	60.138	CJ149	-	84,071
Extended Foster Care Program	60.141	CJ149	-	140,920
Total Expenditures of State Financial Assistance			138,362	2,878,740
Total Expenditures of Federal Awards and State Financial Assistance			$ 4,261,622	$ 19,247,649

The accompany notes are an integral part of this schedule.

PARTNERSHIP FOR STRONG FAMILIES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2017

Note 1 - Basis of Presentation

The accompany Schedule of Expenditures of Federal Awards and State Financial Assistance include the Federal awards and State financial assistance activity of Partnership for Strong Families, Inc. under programs of federal and state government for the year ended June 30, 2017, in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the State of Florida*, Office of the Auditor General. Because the Schedule presents only a selected portion of the operations of Partnership for Strong Families, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Only revenues earned in accordance with the contract terms are reported as expenditures on the schedule of expenditures of federal awards and state financial assistance.

The Organization has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance, if necessary. The Organization did not utilize this option during the year.

Note 3 - Subrecipients

Partnership for Strong Families, Inc. provided funding to the following subrecipients as follows:

Camelot Community Care, Inc.	$ 1,614,083
CDS Family and Behavioral Health Services, Inc.	280,000
Children's Home Society of Florida	182,419
Devereux Foundation, Inc.	2,243,430
Florida Sheriff's Youth Ranches, Inc.	53,520
Florida United Methodist Church	213,000
Haven Open Arms	130,795
Ignite	558,893
Pathways	2,752,944
Resolutions Health Alliance	177,861
Total	$ 8,206,945

Passed through Federal Awards	$ 4,123,260
Passed through State Awards	138,362
Subtotal	4,261,622
Passed through State Matching Funds Awarded for Matching	3,945,323
Total	$ 8,206,945

PARTNERSHIP FOR STRONG FAMILIES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2017
(Concluded)

Note 4 - **Matching Funds for Federal Programs**

The following funds were provided by the State of Florida, through the Department of Children and Families as matching funds for the Federal Programs under Contract No. #CJ149 as follows:

Name of Program	CFDA No.	Amount
Adoption Assistance	93.659	$ 4,335,975
Block Grants for Community Mental Health Services	93.958	408,559
Chafee Education and Training Vouchers Program (ETV)	93.599	19,158
Chafee Foster Care Independent Living	93.674	57,387
Stephanie Tubbs Jones Child Welfare Services	93.645	199,755
Foster Care-Title IV-E	93.658	7,085,208
Medical Assistance Program	93.778	141,296
Promoting Safe and Stable Families-Title IV B	93.556	31,165
Temporary Assistance for Needy Families	93.558	2,152,114
Total State Funds Awarded for Matching		$ 14,430,617

Purvis Gray & Company

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*

To the Board of Directors
Partnership for Strong Families, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Partnership for Strong Families, Inc. (the Organization) a nonprofit organization, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2017.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

To the Board of Directors
Partnership for Strong Families, Inc.

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*
(Concluded)

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Purvis, Gray and Company, LLP

December 11, 2017
Gainesville, Florida

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

To the Board of Directors
Partnership for Strong Families, Inc.

Report on Compliance for Each Major Federal Program and State Financial Assistance Project
We have audited Partnership for Strong Families, Inc.'s (the Organization) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (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 the Organization's major federal programs and state projects for the year ended June 30, 2017. The Organization's 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 the Organization's 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost 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, *Rules of the Auditor General*, 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 the Organization's compliance.

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To the Board of Directors
Partnership for Strong Families, Inc.

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

Opinion on Each Major Federal Program and State Project
In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal programs and state project for the year ended June 30, 2017.

Report on Internal Control Over Compliance
Management of the Organization 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 the Organization's 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 Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, 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 the Organization's 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, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Purvis, Gray and Company, LLP

December 11, 2017
Gainesville, Florida

PARTNERSHIP FOR STRONG FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS AND
STATE FINANCIAL ASSISTANCE PROJECT

1. Summary of Auditor's Results

I. The auditors' report expresses an unmodified opinion on the financial statements of Partnership for Strong Families, Inc. were prepared in accordance with GAAP.

II. No significant deficiencies relating to the audit of the financial statements are reported in the 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.*

III. No instances of noncompliance material to the financial statements of the Partnership for Strong Families, Inc., which would be required to be reported in accordance with *Government Auditing Standard*s, were disclosed during the audit.

IV. The auditors' report on compliance for the major federal award programs and state financial assistance projects expresses an unmodified opinion on all major federal programs and state financial assistance projects.

V. There are no audit findings required to be reported in accordance with 2 CFR Section 200.516(a) or Chapter 10.650, *Rules of the Auditor General.*

VI. The programs tested as major federal programs and state financial assistance projects were:

Federal Award Programs	Federal CFDA No.
U.S. Department of Health and Human Services:	
Passed Through State of Florida, Department of	
Children and Families:	
Foster Care-Title IV-E	93.658

State Financial Assistance Project	State CSFA No.
State of Florida, Department of Children and Families:	
Out-of-Home Supports	60.074
Independent Living	60.112

VII. The threshold used for distinguishing between Type A and B federal programs was $750,000 and state financial assistance projects was $300,000.

VIII. Partnership for Strong Families was determined to be a low-risk auditee.

2. Findings Related to the Financial Statements that are Required to be Reported Under *Generally Accepted Government Auditing Standards* (GAGAS)

The results of our audit of Partnership for Strong Families, Inc. did not disclose any findings required to be reported in accordance with GAGAS.

PARTNERSHIP FOR STRONG FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS AND
STATE FINANCIAL ASSISTANCE PROJECT
(Concluded)

3. Findings and Questioned Costs, Including Certain Findings of Abuse, for Major Federal Awards Programs and State Financial Assistance Projects

The results of our audit of Partnership for Strong Families, Inc. did not disclose any findings or questioned costs, including certain findings of abuse, were required to be reported under the provisions of Title 2 U.S. Code of Federal Requirements, Part 200.516(a), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance*) and Chapter 10.650, *Rules of the Auditor General.* No Summary of Prior Audit Findings is required because there were no prior audit findings related to federal awards programs or state projects.

4. Prior Audit Findings and Corrective Action Plan for Federal Awards and State Financial Assistance Projects

No matters were reported.

5. Management Letter

No management letter was issued because there were no items related to major state projects required to be reported in the management letter.