

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

**CONSOLIDATED FINANCIAL
STATEMENTS**

June 30, 2021

	<u>Page (s)</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
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
SUPPLEMENTAL INFORMATION	
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 - 28
Consolidated Schedule of Expenditures of Federal Awards and State Financial Assistance	29 - 30



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

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

N. Palm Beach, FL 33408
631 US Highway One
Suite 405
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Suite 201
Phone: 305-445-7956

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
Rockledge, 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, 2021, 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, 2021, 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* 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 December 28, 2021, on our consideration of Community Based Care of Brevard, Inc. and affiliates' 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 Community Based Care of Brevard, Inc. and affiliates' 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 Community Based Care of Brevard, Inc. and affiliates' internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 28, 2021

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2021

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,206,000
Grants and contracts receivable	1,377,594
Due from Foundation	935
Due from Family Allies	1,215,811
Prepaid expenses and other current assets	<u>117,451</u>

TOTAL CURRENT ASSETS	4,917,791
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Investments	179,351
Property and equipment, net	484,245
Deposits	<u>53,300</u>

TOTAL ASSETS	<u>\$ 5,634,687</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 2,092,553
Accrued expenses	996,703
Refundable advances	1,410,245
Due to Family Allies	<u>1,469</u>

TOTAL CURRENT LIABILITIES	<u>4,500,970</u>
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NET ASSETS

Without donor restrictions	
Operating income	628,609
Invested in capital assets	<u>484,245</u>

Total without donor restrictions	1,112,854
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With donor restrictions	<u>20,863</u>
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TOTAL NET ASSETS	<u>1,133,717</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,634,687</u>
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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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contracts, grants and contributions from government agencies	\$ 30,962,318	\$ -	\$ 30,962,318
Contracts, grants and contributions from other agencies	193,905	18,420	212,325
Contributions - In-kind services	117,345	-	117,345
Contributions - cash	58,595	-	58,595
Contributions - In-kind gifts and incidental	217,636	-	217,636
Interest income	2,491	-	2,491
Miscellaneous income	1,121,317	-	1,121,317
Net assets released from restrictions	66,964	(66,964)	-
	<u>32,740,571</u>	<u>(48,544)</u>	<u>32,692,027</u>
Total revenues and support			
EXPENSES			
Program services	29,687,593	-	29,687,593
Management and general	2,281,479	-	2,281,479
	<u>31,969,072</u>	<u>-</u>	<u>31,969,072</u>
Total expenses			
Change in net assets	771,499	(48,544)	722,955
NET ASSETS, BEGINNING OF YEAR	<u>341,355</u>	<u>69,407</u>	<u>410,762</u>
NET ASSETS, END OF YEAR	<u>\$ 1,112,854</u>	<u>\$ 20,863</u>	<u>\$ 1,133,717</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, 2021

	Program Services	Mangement and General	Total
Out of home	\$ 6,035,447	\$ 59	\$ 6,035,506
Purchased services	7,648,313	4,517	7,652,830
Salaries and benefits	6,770,705	1,332,693	8,103,398
Adoption	6,190,809	-	6,190,809
Occupancy	523,495	357,590	881,085
Independent living	596,274	-	596,274
IT expenses	253,041	69,784	322,825
Professional and consulting	127,462	33,540	161,002
Travel	122,830	4,375	127,205
Insurance	74,782	196,464	271,246
Community training/conference	74,148	1,925	76,073
Expendable furniture	125,992	19,704	145,696
Drug, fingerprinting and background	90,205	12,649	102,854
In-kind and donations	334,981	-	334,981
Legal fees	-	22,714	22,714
Depreciation	46,039	-	46,039
Public relations	8,874	-	8,874
Supplies	131,809	39,152	170,961
Printing and reproduction	7,861	148	8,009
Staff training/conference	78,585	2,823	81,408
Licenses and accreditation	161,913	14,972	176,885
Membership and dues fees	43,223	12,791	56,014
Communication services	41,199	5,775	46,974
File retrieval/storage	39,281	4,979	44,260
Leased equipment	33,922	12,143	46,065
Accounting fees	9,415	87,240	96,655
Management fees	-	1,112	1,112
Equipment maintenance	13,851	2,084	15,935
Telephone	35,567	4,817	40,384
Paper	4,047	516	4,563
Business meetings	2,237	1,055	3,292
Postage and delivery	4,574	2,871	7,445
Employee activities	17,616	3,306	20,922
Publications and subscriptions	31,210	20,590	51,800
Bank charges	4,645	8,341	12,986
Agency fundraising	3,241	750	3,991
TOTAL EXPENSES	<u>\$ 29,687,593</u>	<u>\$ 2,281,479</u>	<u>\$ 31,969,072</u>

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 722,955
Adjustments to reconcile change in net assets to net cash used in operations:	
Depreciation	46,039
Realized loss on sale of investments	(3,327)
Unrealized loss on investments	(18,512)
Increase in grants and contracts receivable	(1,027,106)
Increase in due from Family Allies	(196,615)
Increase in due from Foundation	(935)
Increase in prepaid expenses	(27,531)
Increase in deposits	(53,300)
Increase in due to Family Allies	1,247
Increase in accounts payable	997,232
Increase in accrued expenses	290,020
Decrease in refundable advances	<u>(963,505)</u>
Cash used in operating activities	<u>(233,338)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	<u>(400,417)</u>
Cash used in investing activities	<u>(400,417)</u>
Decrease in cash and cash equivalents	(633,755)
Cash and cash equivalents, beginning of year	<u>2,839,755</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,206,000</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, 2021**

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

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

1. Principles of consolidation

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

2. General

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

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

The Organization’s grant agreement is a multiple year contract with the Florida Department of Children and Families (“FDCF”) which was for the period from July 1, 2013 through June 30, 2023 in the amount of \$258,562,802. Each year’s funding of the contract is contingent upon appropriations by the Florida legislature and is therefore considered a conditional promise to give and is not recorded as a grant receivable.

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

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

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021**

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, 2021**

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. Revenue recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which prescribes a single, common revenue standard to replace most existing revenue recognition guidance, including most industry-specific requirements. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Organization adopted ASC 606 and all related amendments effective July 1, 2020. The adoption had no significant impact on the Organization's financial statements.

The Organization follows FASB issued ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958-605), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

A significant portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as without donor restricted grant revenue when the Organization has met performance requirements and incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures or meeting other conditional performance requirement barriers are reported as refundable advances in the statement of financial position. At June 30, 2021, the Organization had grant receivables of \$1,377,594, relating to revenue earned during the year ended June 30, 2021.

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.

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

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

11. Revenue recognition (continued)

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.

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. Recent accounting pronouncements

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.

14. 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 2019. 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.

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

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

15. Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through December 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.

16. Risks and uncertainties

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 pandemic situation.

NOTE B – CASH AND CASH EQUIVALENTS

The Organization has demand deposits with a national bank with aggregate bank balances amounting to \$2,535,617 at June 30, 2021. At June 30, 2021, the Organization had \$2,285,617 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, 2021**

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2021:

	Community Based Care of Brevard, Inc.	Brevard C.A.R.E.S., Inc.	Consolidated
Furniture and equipment	\$ 619,036	\$ 89,426	\$ 708,462
Less: accumulated depreciation	134,791	89,426	224,217
Net property and equipment	<u>\$ 484,245</u>	<u>\$ -</u>	<u>\$ 484,245</u>

Depreciation expense for the year ended was \$46,039.

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, 2021**

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, 2021:

Investment Assets at Fair Value as of June 30, 2021				
	Level 1	Level 2	Level 3	Total
Common stock	\$ -	\$ -	\$ 179,351	\$ 179,351
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,351</u>	<u>\$ 179,351</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, 2021:

Balance, beginning of year	\$ 157,512
Net realized and unrealized gain	20,614
Interest and dividend income	2,337
Foundation fee and investment expense	<u>(1,112)</u>
Balance, end of year	<u>\$ 179,351</u>

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2022.

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, 2022.

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

On March 27, 2020, the Coronavirus Aid Relief, and Economic Security Act ("CARES Act") was enacted in response to the COVID-19 pandemic. Under the CARES Act, the Paycheck Protection Program ("PPP") was established to provide assistance to small businesses with resources needed to maintain payroll and cover applicable overhead. In April 2020, the Organization, through a financial institution, was approved for and received a loan in the amount of \$721,300. On April 21, 2021, the Organization obtained formal forgiveness of the loan as it met all of the conditions for forgiveness of the loan.

In April 2020, an affiliate, through a financial institution, was approved for and received a loan in the amount of \$409,500. When applying for forgiveness it was noted that the original loan should have been for \$400,895. The overdrawn amount was returned to the financial institution immediately upon request. On June 23, 2021, the affiliate obtained formal forgiveness of the loan as it met all of the conditions for forgiveness of the loan.

COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2021, 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, 2021, are summarized as follows:

Toy Drive	\$ 10,181
Ounce of Prevention	7,666
WalMart Drug Court Grant	1,500
Foster Home Management	1,429
Youth Advisory Council	87
	\$ 20,863

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, 2021, are as follows:

Eckerd Grant	\$ 56,238
Toy Drive	10,726
	\$ 66,964

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.

COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, the Organization made retirement contributions totaling \$170,251.

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:

<u>Years Ending June 30,</u>	<u>Amount</u>
2022	\$ 785,658
2023	806,754
2024	454,629
2025	468,268
2026	<u>482,316</u>
	<u>\$ 2,997,625</u>

Total rent expense for the year ended June 30, 2021 was \$813,795.

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.

COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

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.

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	\$ 2,206,000
Grants and contracts receivable	1,377,594
Due from Foundation	935
Due from Family Allies	<u>1,215,811</u>
Total financial assets available within one year	<u>4,800,340</u>
Less:	
Accounts payable	2,092,553
Accrued expenses	996,703
Refundable advances	1,410,245
Due to Family Allies	<u>1,469</u>
Total financial liabilities due within one year	<u>4,500,970</u>
Total financial assets available within one year	<u>\$ 299,370</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 \$20,863. 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, 2021

	Community Based Care of Brevard, Inc.	Brevard C.A.R.E.S., Inc.	The National Center for Innovation and Excellence, Inc.	Consolidating Entries	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,420,889	\$ 533,623	\$ 251,488	\$ -	\$ 2,206,000
Grants and contracts receivable	635,160	611,675	130,759	-	1,377,594
Due from affiliate	655,770	767	-	(656,537)	-
Due from Foundation	935	-	-	-	935
Due from Family Allies	1,215,811	-	-	-	1,215,811
Prepaid expenses and other current assets	109,206	6,980	1,265	-	117,451
TOTAL CURRENT ASSETS	4,037,771	1,153,045	383,512	(656,537)	4,917,791
Investments	179,351	-	-	-	179,351
Property and equipment, net	484,245	-	-	-	484,245
Deposits	53,300	-	-	-	53,300
TOTAL ASSETS	\$ 4,754,667	\$ 1,153,045	\$ 383,512	\$ (656,537)	\$ 5,634,687
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 2,086,376	\$ 6,177	\$ -	\$ -	\$ 2,092,553
Accrued expenses	656,691	233,342	106,670	-	996,703
Refundable advances	1,410,245	-	-	-	1,410,245
Due to affiliate	-	-	767	(767)	-
Due to parent	-	462,573	193,197	(655,770)	-
Due to Family Allies	-	277	1,192	-	1,469
TOTAL CURRENT LIABILITIES	4,153,312	702,369	301,826	(656,537)	4,500,970
NET ASSETS					
Without donor restrictions					
Operating income	96,247	450,676	81,686	-	628,609
Invested in capital assets	484,245	-	-	-	484,245
Total without donor restrictions	580,492	450,676	81,686	-	1,112,854
With donor restrictions	20,863	-	-	-	20,863
TOTAL NET ASSETS	601,355	450,676	81,686	-	1,133,717
TOTAL LIABILITIES AND NET ASSETS	\$ 4,754,667	\$ 1,153,045	\$ 383,512	\$ (656,537)	\$ 5,634,687

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, 2021

	Community Based Care of Brevard, Inc. Without Donor Restrictions	Community Based Care of Brevard, Inc. With Donor Restrictions	Community Based Care of Brevard, Inc. Total	Brevard C.A.R.E.S., Inc. Total	The National Center for Innovation and Excellence, Inc. Total	Consolidating Entries	Total
REVENUES AND SUPPORT							
Contracts, grants and contributions from government agencies	\$ 30,962,318	\$ -	\$ 30,962,318	\$ 2,560,956	\$ -	\$ (2,560,956)	\$ 30,962,318
Contracts, grants and contributions from other agencies	193,905	18,420	212,325	-	-	-	212,325
Contributions - In-kind services	109,919	-	109,919	6,226	1,200	-	117,345
Contributions - cash	56,902	-	56,902	1,693	-	-	58,595
Contributions - In-kind gifts and incidental	174,032	-	174,032	43,499	105	-	217,636
Interest income	2,434	-	2,434	57	-	-	2,491
Miscellaneous income	232,001	-	232,001	412,791	476,525	-	1,121,317
Net assets released from restrictions	66,964	(66,964)	-	-	-	-	-
Total revenues and support	31,798,475	(48,544)	31,749,931	3,025,222	477,830	(2,560,956)	32,692,027
EXPENSES							
Program services	29,221,034	-	29,221,034	2,797,499	124,095	(2,455,035)	29,687,593
Management and general	2,078,521	-	2,078,521	183,189	125,690	(105,921)	2,281,479
Total expenses	31,299,555	-	31,299,555	2,980,688	249,785	(2,560,956)	31,969,072
Change in net assets	498,920	(48,544)	450,376	44,534	228,045	-	722,955
NET ASSETS, BEGINNING OF YEAR	81,572	69,407	150,979	406,142	(146,359)	-	410,762
NET ASSETS, END OF YEAR	\$ 580,492	\$ 20,863	\$ 601,355	\$ 450,676	\$ 81,686	\$ -	\$ 1,133,717

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, 2021

	Community Based Care of Brevard, Inc.			Brevard C.A.R.E.S., Inc.			The National Center for Innovation and Excellence, Inc.			Consolidating	
	Program	Management	Total	Program	Management	Total	Program	Management	Total	Entries	Total
	Services	and General		Services	and General		Services	and General			
Out of home	\$ 6,035,447	\$ 59	\$ 6,035,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,035,506
Purchased services	10,023,627	4,517	10,028,144	64,240	-	64,240	1,930	-	1,930	(2,441,484)	7,652,830
Salaries and benefits	4,455,869	1,180,300	5,636,169	2,307,088	147,261	2,454,349	7,748	5,132	12,880	-	8,103,398
Adoption	6,190,809	-	6,190,809	-	-	-	-	-	-	-	6,190,809
Occupancy	441,803	353,466	795,269	81,692	3,321	85,013	-	803	803	-	881,085
Independent living	596,274	-	596,274	-	-	-	-	-	-	-	596,274
IT expenses	217,255	65,641	282,896	13,508	1,589	15,097	22,278	2,554	24,832	-	322,825
Professional and consulting	96,144	33,465	129,609	9,500	75	9,575	21,818	-	21,818	-	161,002
Travel	23,158	3,389	26,547	91,203	-	91,203	8,469	986	9,455	-	127,205
Insurance	70,222	195,536	265,758	2,759	269	3,028	1,801	659	2,460	-	271,246
Community training/conference	68,049	1,925	69,974	1,815	-	1,815	4,284	-	4,284	-	76,073
Expendable furniture	115,777	18,046	133,823	6,523	1,658	8,181	3,692	-	3,692	-	145,696
Drug, fingerprinting and background	89,828	12,649	102,477	377	-	377	-	-	-	-	102,854
In-kind and donations	283,951	-	283,951	49,725	-	49,725	1,305	-	1,305	-	334,981
Legal fees	-	5,722	5,722	-	16,872	16,872	-	120	120	-	22,714
Depreciation	46,039	-	46,039	-	-	-	-	-	-	-	46,039
Public relations	3,886	-	3,886	4,332	-	4,332	656	-	656	-	8,874
Supplies	106,541	36,380	142,921	6,511	688	7,199	18,757	2,084	20,841	-	170,961
Printing and reproduction	5,405	1	5,406	2,456	93	2,549	-	54	54	-	8,009
Staff training/conference	65,915	2,544	68,459	11,955	279	12,234	715	-	715	-	81,408
Licenses and accreditation	76,699	14,535	91,234	78,357	437	78,794	6,857	-	6,857	-	176,885
Membership and dues fees	33,357	11,873	45,230	9,541	918	10,459	325	-	325	-	56,014
Communication services	34,206	5,119	39,325	5,635	506	6,141	1,358	150	1,508	-	46,974
File retrieval/storage	35,930	4,406	40,336	3,351	573	3,924	-	-	-	-	44,260
Leased equipment	27,589	11,513	39,102	5,175	500	5,675	1,158	130	1,288	-	46,065
Accounting fees	2,767	82,259	85,026	6,648	634	7,282	-	4,347	4,347	-	96,655
Management fees - ML	-	1,112	1,112	-	-	-	-	-	-	-	1,112
Equipment maintenance	13,851	2,057	15,908	-	27	27	-	-	-	-	15,935
Telephone	9,200	2,246	11,446	26,310	2,565	28,875	57	6	63	-	40,384
Paper	3,403	452	3,855	564	55	619	80	9	89	-	4,563
Business meetings	2,237	9	2,246	-	215	215	-	831	831	-	3,292
Postage & delivery	3,791	2,762	6,553	322	61	383	461	48	509	-	7,445
Employee activities	17,616	8	17,624	-	2,974	2,974	-	324	324	-	20,922
Publications and subscriptions	17,604	19,219	36,823	7,912	701	8,613	5,694	670	6,364	-	51,800
Bank charges	3,544	7,111	10,655	-	593	593	1,101	637	1,738	-	12,986
Agency fundraising	3,241	200	3,441	-	325	325	-	225	225	-	3,991
NCIE support unit expense	-	-	-	-	-	-	13,551	105,921	119,472	(119,472)	-
TOTAL EXPENSES	<u>\$ 29,221,034</u>	<u>\$ 2,078,521</u>	<u>\$ 31,299,555</u>	<u>\$ 2,797,499</u>	<u>\$ 183,189</u>	<u>\$ 2,980,688</u>	<u>\$ 124,095</u>	<u>\$ 125,690</u>	<u>\$ 249,785</u>	<u>\$ (2,560,956)</u>	<u>\$ 31,969,072</u>

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, 2021

	<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>
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$ 450,376	\$ 44,534	\$ 228,045	\$ -	\$ 722,955
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:					
Depreciation	46,039	-	-	-	46,039
Realized loss on sale of investments	(3,327)	-	-	-	(3,327)
Unrealized loss on investments	(18,512)	-	-	-	(18,512)
Increase in grants and contracts receivables	(600,899)	(302,323)	(123,884)	-	(1,027,106)
Decrease (increase) in due from Family Allies	(197,673)	1,058	-	-	(196,615)
Decrease in due from affiliate	181,684	1,289	-	(182,973)	-
Increase in due from Foundation	(935)	-	-	-	(935)
Decrease (increase) in prepaid expenses	(47,570)	17,409	2,630	-	(27,531)
Increase in deposits	(53,300)	-	-	-	(53,300)
Decrease in due to parent	-	(166,942)	(14,742)	181,684	-
Increase in due to Family Allies	-	277	970	-	1,247
Decrease in due to affiliate	-	-	(1,289)	1,289	-
Increase (decrease) in accounts payable	991,357	6,177	(302)	-	997,232
Increase in accrued expenses	138,890	44,158	106,972	-	290,020
Decrease in refundable advances	(963,505)	-	-	-	(963,505)
Cash provided by (used in) operating activities	<u>(77,375)</u>	<u>(354,363)</u>	<u>198,400</u>	<u>-</u>	<u>(233,338)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property and equipment	<u>(400,417)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(400,417)</u>
Cash used in investing activities	<u>(400,417)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(400,417)</u>
Increase (decrease) in cash and cash equivalents	(477,792)	(354,363)	198,400	-	(633,755)
Cash and cash equivalents, beginning of year	<u>1,898,681</u>	<u>887,986</u>	<u>53,088</u>	<u>-</u>	<u>2,839,755</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,420,889</u></u>	<u><u>\$ 533,623</u></u>	<u><u>\$ 251,488</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,206,000</u></u>

See independent auditors' report.



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

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

N. Palm Beach, FL 33408
631 US Highway One
Suite 405
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Suite 201
Phone: 305-445-7956

American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

**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 of
Community Based Care of Brevard, Inc.
D/B/A Brevard Family Partnership
Rockledge, 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, 2021, 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 December 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) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Based Care of Brevard, Inc. and affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Community Based Care of Brevard, Inc. and affiliates' internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Based Care of Brevard, Inc. and affiliates' consolidated financial statements are free 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 consolidated financial statements. 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 28, 2021



Partners

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

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

N. Palm Beach, FL 33408
631 US Highway One
Suite 405
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Suite 201
Phone: 305-445-7956

American Institute of
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Accountants

Florida Institute of
Certified Public
Accountants

**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**

To the Board of Directors of
Community Based Care of Brevard, Inc.
D/B/A Brevard Family Partnership
Rockledge, 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, 2021. 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 programs and state projects.

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 Community Based Care of Brevard, Inc. and affiliates' 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, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 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, 2021

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>ALN Number</u>
Foster Care Title IV-E	93.658
Marylee Allen Promoting Safe and Stable Families	93.556

**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, 2021

Section I – Summary of Auditors’ Results (continued)

State Financial Assistance

1. Type of auditors’ report issued on compliance for major projects:	Unmodified
2. Internal control over major projects:	
a. Material weakness(es) identified?	No
b. Significant deficiencies identified that are not considered to be material weaknesses?	None reported
3. Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, Rules of the Auditor General	No
4. Dollar threshold used to distinguish between Type A and Type B projects	\$300,000
Identification of major projects:	
<u>Name of State Project</u> Out-of-Home Support	<u>CSFA Number</u> 60.074

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

There were no prior year audit findings.

**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, 2021**

Federal/State Agency, Pass-Through Entity, State Project	ALN/ CSFA Number	Grantor's Contract Number	Expenditures
FEDERAL AWARDS			
U.S. Department of Health and Human Services			
Passed through State of Florida Department of Children and Families: Guardianship Assistance	93.090	GJ401	\$ 20,308
Marylee Allen Promoting Safe and Stable Families	93.556	GJ401	912,043
Social Services Block Grant	93.667	GJ401	2,037,101
Temporary Assistance for Needy Families-TANF Cluster	93.558	GJ401	2,175,437
Foster Care Title IV-E	93.658	GJ401	5,024,485
Stephanie Tubbs Jones Child Welfare Services Program	93.645	GJ401	167,967
Adoption Assistance	93.659	GJ401	3,901,897
Medical Assistance Program	93.778	GJ401	32,081
John H Chafee Care Program for Successful Transition to Adulthood	93.674	GJ401	97,635
Chafee Education and Training Vouchers Program (ETV)	93.599	GJ401	51,486
Grants to States for Access and Visitation Programs	93.597	GJ401	8,799
Child Abuse and Neglect State Grants	93.669	GJ401	72,336
Child Abuse and Neglect State Grants	93.669	GJZ01	86,991
Total Child Abuse and Neglect State Grants	93.669		<u>159,327</u>
Adoption Incentive Payments	93.603	GJZ01	181,497
Passed through State of Florida Brevard County Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	1H79SM082949-01	<u>601,247</u>
Total Expenditures of Federal Awards			\$ 15,371,310
STATE FINANCIAL ASSISTANCE			
State of Florida, Department of Children and Families:			
Out of Home Supports	60.074	GJ401	\$ 1,169,114
CBC-Purchase for Therapeutic Services for Children	60.183	GJ401	253,340
The Independent Living and Road-to-Independence	60.112	GJ401	<u>131,714</u>
Total Expenditures of State Financial Assistance			\$ 1,554,168
State Funds Not Subject to Section 215.97, F.S.			\$ 25,723
STATE MATCHING OF FEDERAL AWARDS			
Department of Children and Families			
Guardianship Assistance	93.090	GJ401	\$ 9,487
Marylee Allen Promoting Safe and Stable Families	93.556	GJ401	4,401
Chafee Education and Training Vouchers Program	93.599	GJ401	12,871
Stephanie Tubbs Jones Child Welfare Services Program	93.645	GJ401	55,989
Adoption Assistance	93.659	GJ401	1,982,079
John H Chafee Care Program for Successful Transition to Adulthood	93.674	GJ401	24,409
Medical Assistance Program	93.778	GJ401	32,081
Temporary Assistance for Needy Families-TANF Cluster	93.558	GJ401	2,039,973
Child Abuse and Neglect State Grants	93.669	GJZ01	66,860
Foster Care Title IV-E	93.658	GJ401	4,799,486
To be Tested Pursuant to OCA Activity	93.XXX	GJ401	<u>4,983,481</u>
Total Expenditures of State Matching of Federal Awards			\$ 14,011,117
TOTAL FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE, AND STATE MATCHING OF FEDERAL AWARDS			\$ 30,962,318

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, 2021. The indirect cost rates used on the Organization's federal programs and state projects are determined by the relevant federal or state agency.

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, 2021

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		
Marylee Allen Promoting Safe and Stable Families	93.556	\$ 654,512
Social Services Block Grant	93.667	447,023
Temporary Assistance for Needy Families	93.558	1,007,293
Foster Care Title IV-E	93.658	2,232,604
Child Welfare Services-State Grant	93.645	96,461
Adoption Assistance	93.659	190,661
John H Chafee Care Program for Successful Transition to Adulthood	93.674	97,635
Child Abuse and Neglect State Grants	93.669	62,583
State Access & Visitation Grant	93.597	8,799
Total Federal		4,797,571

State Financial Assistance:

State of Florida, Department of Children and Families		
Out-of-Home Supports	60.074	29,503
CBC-Purchase for Therapeutic Services for Children	60.183	101,649
Total State		131,152
Total Federal Awards and State Financial Assistance		\$ 4,928,723

Subrecipients are as follows:

4 Kids South Florida	\$ 309
Alternate Group Cares	1,674
Aspire	613
Attain	53,087
Brevard Behavioral Consultants	14,385
Brevard C.A.R.E.S.	644,894
Coastal Behavioral Therapy	97,413
Cross Roads Hope Academy	13,871
Crosswinds Youth Services	287,608
Del B Angels	160,337
Devereux	66,268
Eckerd Youth Alternatives	266,681
Family Allies	2,158,594
FL Baptist Children's Home	34,241
FL United Methodist	43,994
Friends of Children and Families	193,475
Home Safe	35,944
Impower	402,952
LifePaths	1,350
Life Stream Behavior Center	1,856
Pediatric Pavillion	1,012
Res-Care	2,759
Reyna Group Home	23,709
Solve Maternity Home	2,939
St. Augustine Youth Services	10,504
The Grove	3,137
The Haven for Children	319,890
Yellow Umbrella	85,227
	\$ 4,928,723

See independent auditors' report.