

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

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2011

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
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JUNE 30, 2011**

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JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Community Based Care of Brevard, Inc.
d/b/a Brevard Family Partnership and affiliate:

We have audited the accompanying consolidated statement of financial position of Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership (a nonprofit organization) and affiliate as of June 30, 2011, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate as of June 30, 2011, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2011, on our consideration of Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The supplementary information included in the accompanying Schedules I, II,

III and IV is presented only for supplementary analysis purposes. The accompanying Schedule of Expenditures of Federal Awards, State Financial Assistance, and State Matching of Federal Awards on pages 18-20 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and Section 215.97, Florida Statutes, Florida Single Audit Act, and is not a required part of the basic 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 basic 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 basic financial statements taken as a whole.

Janus Muru + Co., P.L.

Gainesville, Florida
December 5, 2011

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011**

ASSETS

Current assets	
Cash and cash equivalents	\$ 2,216,434
Grants and contracts receivable	25,820
Prepaid expenses and other current assets	141,148
Total current assets	<u>2,383,402</u>
Investments	422,906
Property and equipment, net	287,988
Deposits	4,543
Other non-current assets	45,000
Total Assets	<u><u>\$ 3,143,839</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 888,738
Accrued expenses	382,998
Deferred revenue	714,685
Total current liabilities	<u>1,986,421</u>
Net assets	
Unrestricted:	
Operating income	780,570
Invested in capital assets	287,988
Total unrestricted	<u>1,068,558</u>
Temporarily restricted	88,860
Total net assets	<u>1,157,418</u>
Total Liabilities and Net Assets	<u><u>\$ 3,143,839</u></u>

The accompanying notes to the consolidated financial statements
are an integral part of this statement.

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Government grants	\$ 21,474,477	\$ -	\$ 21,474,477
Contributions	10,840	4,000	14,840
Donated goods and services	145,092	-	145,092
Interest and dividends	9,006	-	9,006
Other	84,640	-	84,640
Special events	154,169	-	154,169
Net assets released from restrictions	4,505	(4,505)	-
Total support and revenue	<u>21,882,729</u>	<u>(505)</u>	<u>21,882,224</u>
Expenses			
Program Services	20,333,523	-	20,333,523
Management and general	1,752,601	-	1,752,601
Fundraising	198,907	-	198,907
Total expenses	<u>22,285,031</u>	<u>-</u>	<u>22,285,031</u>
Decrease in net assets	<u>(402,302)</u>	<u>(505)</u>	<u>(402,807)</u>
Net assets, beginning of year	1,470,860	89,365	1,560,225
Net assets, end of year	<u>\$ 1,068,558</u>	<u>\$ 88,860</u>	<u>\$ 1,157,418</u>

The accompanying notes to the consolidated financial statements
are an integral part of this statement.

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Program Services</u>	<u>Fundraising Expenses</u>	<u>Management and General</u>	<u>Total</u>
Adoption services	\$ 3,368,522	\$ -	\$ -	\$ 3,368,522
Case management	8,654,687	-	-	8,654,687
Community prevention initiative	1,447,447	-	-	1,447,447
Diagnostic and evaluation	253,340	-	-	253,340
Foster home management	958,447	-	-	958,447
Foster/adoptive parent training	2,101	-	-	2,101
In home and family support services	952,895	-	-	952,895
Independent living	1,517,156	-	-	1,517,156
In-service training	8,650	-	-	8,650
Out of home care	3,068,778	-	-	3,068,778
Recruitment	101,500	-	-	101,500
Building and grounds maintenance	-	-	7,666	7,666
Communications	-	-	8,352	8,352
Depreciation	-	-	154,154	154,154
Dues and subscriptions	-	-	24,629	24,629
Equipment rental and maintenance	-	-	6,255	6,255
Expendable furniture, equipment and software	-	-	21,846	21,846
Fundraising expenses	-	198,907	-	198,907
Insurance	-	-	32,349	32,349
Licenses and permits	-	-	4,161	4,161
Occupancy and utilities	-	-	84,887	84,887
Other expenses	-	-	23,846	23,846
Personnel services	-	-	1,233,712	1,233,712
Postage and shipping	-	-	2,120	2,120
Printing	-	-	83	83
Professional fees	-	-	120,440	120,440
Supplies	-	-	9,368	9,368
Travel	-	-	18,733	18,733
Total expenses	<u>\$ 20,333,523</u>	<u>\$ 198,907</u>	<u>\$ 1,752,601</u>	<u>\$ 22,285,031</u>

The accompanying notes to the consolidated financial statements
are an integral part of this statement.

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

Cash flows from operating activities	
Net decrease in net assets	\$ (402,807)
Adjustments to reconcile net decrease in net assets to net cash provided by operating activities:	
Depreciation	152,176
Loss on disposal of fixed assets	15,303
Loss on sale of investments	74
Unrealized appreciation of investments	(7,205)
Increase in deferred revenue	397,089
Increase in grants and contracts receivable	(5,132)
Decrease in prepaid expenses and other current assets	69,853
Increase in deposits	(1,021)
Increase in accounts payable	44,745
Decrease in accrued expenses	(105,027)
Net cash provided by operating activities	<u>158,048</u>
 Cash flows from investing activities	
Proceeds from sale of investments	6,425
Purchases of investments	(422,200)
Purchases of property and equipment	(110,955)
Net cash used in investment activities	<u>(526,730)</u>
 Net decrease in cash and cash equivalents	<u>(368,682)</u>
 Cash and cash equivalents, beginning of year	2,585,116
 Cash and cash equivalents, end of year	<u><u>\$ 2,216,434</u></u>

The accompanying notes to the consolidated financial statements
are an integral part of this statement.

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2011**

(1) **Summary of Significant Accounting Policies:**

The consolidated financial statements of Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate (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.

(a) **Principles of consolidation**—The accompanying financial statements include the accounts of 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 and balances have been eliminated in consolidation.

(b) **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 which is for the period from July 1, 2009 through June 30, 2013 in the amount of \$87,123,137. 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.

(c) **Basis of financial reporting**—The Organization's financial statements have been prepared on the accrual basis. The Organization is required to report information regarding its financial position and activities in according to three classes of net assets:

Unrestricted net assets—Net assets that are not subject to donor-imposed restrictions.

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 that will not be met by either actions of the Organization or the passage of time.

As of June 30, 2011, there were no permanently restricted net assets.

(d) **Contributions**—Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose retraction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the financial statements as net asset released from restrictions.

COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2011

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **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.

(f) **Income taxes**—The Organization and its affiliate 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 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 2007. 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 accounting 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.

(i) **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.

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

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

(h) **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.

(i) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(j) **Donated Services and materials**—Contributed services that qualify as specialized services and donated items are recorded at their estimated fair value at the date of receipt. 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 financial statements.

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2011**

(1) **Summary of Significant Accounting Policies:** (Continued)

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

(l) **Subsequent events**—The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 5, 2011, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed in the financial statements.

(m) **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. For information on how the Organization determines fair value, see Note 9.

Unrealized appreciation and depreciation is based on the market value of investments as of June 30 and recognized currently in the Consolidated Statement of Activities.

(2) **Property and Equipment:**

Property and equipment consists of the following as of June 30, 2011:

	Community Based Care of Brevard, Inc.	Brevard C.A.R.E.S., Inc.	Consolidated
Furniture and equipment	\$ 942,237	\$ 65,744	\$ 1,007,981
Vehicles	21,705	-	21,705
	<u>963,942</u>	<u>65,744</u>	<u>1,029,686</u>
Less: Accumulated depreciation	720,975	20,723	741,698
Net property and equipment	<u>\$ 242,967</u>	<u>\$ 45,021</u>	<u>\$ 287,988</u>

Depreciation expense for the year ended June 30, 2011 was \$154,154.

(3) **Cash and Cash Equivalents:**

The Organization has demand deposits with a national bank with aggregate bank balances amounting to \$2,589,488 at June 30, 2011. 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 and sweep bank accounts into a repurchase agreement with RBC Bank. The repurchase agreement allows the demand deposits in these accounts to be invested in the RBC Bank's U.S. government securities portfolio.

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2011**

(4) **Commitments:**

The Organization leases certain office space under agreements classified as operating leases. Leases expire at various dates through June 30, 2014.

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:

Year Ending June 30,	Amount
2012	\$ 754,028
2013	757,166
2014	297,565
2015	-
2016	-
	\$ 1,808,759

Total rent expense for the year ended June 30, 2011 was \$785,364.

The Organization leases certain copiers under an agreement classified as an operating lease which expires on August 31, 2013.

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

Year Ending June 30,	Amount
2012	\$ 26,221
2013	25,117
2014	3,818
2015	-
2016	-
	\$ 55,156

Total copier lease expense for the year ended June 30, 2011 was \$26,220.

(5) **Line of Credit:**

The Organization has a line of credit, with a national bank, that allows borrowings up to \$500,000, with a stated interest rate of the LIBOR plus 2.50%, but not less than 3.0%. There were no advances from this line of credit during June 30, 2011 and as of June 30, 2011, no amounts were outstanding on the line of credit. The line of credit is collateralized by all inventory, accounts receivable, equipment and general intangibles. The line of credit will expire on April 1, 2012.

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2011**

(5) **Line of Credit:** (Continued)

The 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%. There were no advances from this line of credit during June 30, 2011 and as of June 30, 2011, no amounts were outstanding on the line of credit. The line of credit is collateralized by all inventory, accounts receivable, equipment and general intangibles. The line of credit will expire on March 9, 2012.

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

(6) **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.

(7) **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.

(8) **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, 2011, the Organization made retirement contributions totaling \$158,974.

(9) **Fair Value Measurement:**

Available-for-sale investments at June 30, 2011 consist of the follow:

Common stock, at cost	\$ 87,371
Gross unrealized gains	2,933
Common stock, at fair value	<u>\$ 90,304</u>
 Mutual funds, at cost	 \$ 328,330
Gross unrealized gains	4,272
Mutual funds, at fair value	<u>\$ 332,602</u>

COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2011

(9) **Fair Value Measurement:** (Continued)

During 2011, the Organization sold securities available-for-sale for total proceeds of \$6,425, resulting in a gross realized loss of \$74.

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.

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.

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

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.

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2011**

(9) **Fair Value Measurement:** (Continued)

The following table summarizes the assets of the Organization for which fair values are determined on a recurring basis as of June 30, 2011:

	Investment Assets at Fair Value as of June 30, 2011			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock	\$ 90,304	\$ -	\$ -	\$ 90,304
Mutual funds	332,602	-	-	332,602
Total assets at fair value	<u>\$ 422,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,906</u>

The Organization held no Level 2 and Level 3 assets at June 30, 2011.

(10) **Other Assets – Child Welfare Trust:**

In 2009, the limited partners of Community Based Care Partnership, Ltd., formed the Child Welfare Trust (the “Trust”) which is a risk pool formed to provide assets to meet the obligations of the prepaid mental health program. Each partner made an initial contribution to the Trust of \$45,000. The Organization shares in this risk pool based on their respective ownership percentage. The Organization may be required to fund the risk pool on an annual basis based on the medical loss ratio. Quarterly, the General Partner makes a determination whether the assets held in the risk pool are sufficient to meet the obligations of the prepaid mental health program in the Organization’s service areas. If funding of the risk pool is required, the Organization may be required to utilize unrestricted funds as it is not a chargeable expense under the grant agreement with the State of Florida, Department of Children and Families as discussed in Note 1 (a). During the year ended June 30, 2011, the Organization was not required to make any additional contributions to the Trust.

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

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2011

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011**

	Community Based Care of Brevard, Inc.	Brevard C.A.R.E.S., Inc.	Consolidating Entries	Consolidated Total
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	\$ 1,688,271	\$ 528,163	\$ -	\$ 2,216,434
Grants and contracts receivable	25,553	267	-	25,820
Due from affiliate	135,541	-	(135,541)	-
Due from parent	-	1,607	(1,607)	-
Prepaid expenses and other current assets	175,370	36,782	(71,004)	141,148
Total current assets	<u>2,024,735</u>	<u>566,819</u>	<u>(208,152)</u>	<u>2,383,402</u>
Investments	422,906	-	-	422,906
Property and equipment, net	242,967	45,021	-	287,988
Deposits	3,200	1,343	-	4,543
Other non-current assets	45,000	-	-	45,000
Total Assets	<u><u>\$ 2,738,808</u></u>	<u><u>\$ 613,183</u></u>	<u><u>\$ (208,152)</u></u>	<u><u>\$ 3,143,839</u></u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities				
Accounts payable	\$ 803,798	\$ 84,940	\$ -	\$ 888,738
Accrued expenses	329,912	53,086	-	382,998
Deferred revenue	714,685	71,004	(71,004)	714,685
Due to affiliate	1,607	-	(1,607)	-
Due to parent	-	135,541	(135,541)	-
Total current liabilities	<u>1,850,002</u>	<u>344,571</u>	<u>(208,152)</u>	<u>1,986,421</u>
Net assets				
Unrestricted:				
Operating income	556,979	223,591	-	780,570
Invested in capital assets	242,967	45,021	-	287,988
Total unrestricted	<u>799,946</u>	<u>268,612</u>	<u>-</u>	<u>1,068,558</u>
Temporarily restricted	88,860	-	-	88,860
Total net assets	<u>888,806</u>	<u>268,612</u>	<u>-</u>	<u>1,157,418</u>
Total Liabilities and Net Assets	<u><u>\$ 2,738,808</u></u>	<u><u>\$ 613,183</u></u>	<u><u>\$ (208,152)</u></u>	<u><u>\$ 3,143,839</u></u>

- See accompanying notes to consolidated financial statements -

SCHEDULE II

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

	Community Based Care of Brevard, Inc. Unrestricted	Community Based Care of Brevard, Inc. Temporarily Restricted	Community Based Care of Brevard, Inc. Total	Brevard C.A.R.E.S., Inc. Total	Consolidating Entries	Total
Support and revenue						
Government grants	\$ 21,474,477	\$ -	\$ 21,474,477	\$ 1,890,453	\$ (1,890,453)	\$ 21,474,477
Contributions	8,099	4,000	12,099	2,741	-	14,840
Donated goods and services	123,030	-	123,030	22,062	-	145,092
Interest and dividends	8,841	-	8,841	165	-	9,006
Other	556,421	-	556,421	50	(471,831)	84,640
Special events	153,064	-	153,064	1,105	-	154,169
Net assets released from restrictions	4,505	(4,505)	-	-	-	-
Total support and revenue	<u>22,328,437</u>	<u>(505)</u>	<u>22,327,932</u>	<u>1,916,576</u>	<u>(2,362,284)</u>	<u>21,882,224</u>
Expenses						
Program Services	20,769,915	-	20,769,915	1,925,892	(2,362,284)	20,333,523
Management and general	1,488,289	-	1,488,289	264,312	-	1,752,601
Fundraising	198,497	-	198,497	410	-	198,907
Total expenses	<u>22,456,701</u>	<u>-</u>	<u>22,456,701</u>	<u>2,190,614</u>	<u>(2,362,284)</u>	<u>22,285,031</u>
Decrease in net assets	<u>(128,264)</u>	<u>(505)</u>	<u>(128,769)</u>	<u>(274,038)</u>	<u>-</u>	<u>(402,807)</u>
Net assets, beginning of year	928,210	89,365	1,017,575	542,650	-	1,560,225
Net assets, end of year	<u>\$ 799,946</u>	<u>\$ 88,860</u>	<u>\$ 888,806</u>	<u>\$ 268,612</u>	<u>\$ -</u>	<u>\$ 1,157,418</u>

- See accompanying notes to consolidated financial statements -

SCHEDULE III

COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	Community Based Care of Brevard Inc.			Brevard C.A.R.E.S., Inc.			Total	Consolidating Entries	Total
	Program Services	Fundraising Expenses	Management and General	Program Services	Fundraising Expenses	Management and General			
Adoption services	\$ 3,368,522	\$ -	\$ -	\$ 3,368,522	\$ -	\$ -	\$ -	\$ -	\$ 3,368,522
Case management	8,365,622	-	-	8,365,622	-	-	289,065	-	8,654,687
Community prevention initiative	2,172,904	-	-	2,172,904	1,636,827	-	1,636,827	(2,362,284)	1,447,447
Diagnostic and evaluation	253,340	-	-	253,340	-	-	-	-	253,340
Foster home management	958,447	-	-	958,447	-	-	-	-	958,447
Foster/adoptive parent training	2,101	-	-	2,101	-	-	-	-	2,101
In home and family support services	952,895	-	-	952,895	-	-	-	-	952,895
Independent living	1,517,156	-	-	1,517,156	-	-	-	-	1,517,156
In-service training	8,650	-	-	8,650	-	-	-	-	8,650
Out of home care	3,068,778	-	-	3,068,778	-	-	-	-	3,068,778
Recruitment	101,500	-	-	101,500	-	-	-	-	101,500
Building and grounds maintenance	-	-	7,666	7,666	-	-	-	-	7,666
Communications	-	-	8,352	8,352	-	-	-	-	8,352
Depreciation	-	-	138,860	138,860	-	15,294	15,294	-	154,154
Dues and subscriptions	-	-	24,629	24,629	-	-	-	-	24,629
Equipment rental and maintenance	-	-	6,255	6,255	-	-	-	-	6,255
Expendable furniture, equipment and software	-	-	21,846	21,846	-	-	-	-	21,846
Fundraising expenses	-	198,497	-	198,497	-	410	410	-	198,907
Insurance	-	-	32,349	32,349	-	-	-	-	32,349
Licenses and permits	-	-	4,161	4,161	-	-	-	-	4,161
Occupancy and utilities	-	-	84,887	84,887	-	-	-	-	84,887
Other expenses	-	-	23,846	23,846	-	-	-	-	23,846
Personnel services	-	-	984,694	984,694	-	249,018	249,018	-	1,233,712
Postage and shipping	-	-	2,120	2,120	-	-	-	-	2,120
Printing	-	-	83	83	-	-	-	-	83
Professional fees	-	-	120,440	120,440	-	-	-	-	120,440
Supplies	-	-	9,368	9,368	-	-	-	-	9,368
Travel	-	-	18,733	18,733	-	-	-	-	18,733
Total expenses	\$ 20,769,915	\$ 198,497	\$ 1,488,289	\$ 22,456,701	\$ 1,925,892	\$ 264,312	\$ 2,190,614	\$ (2,362,284)	\$ 22,285,031

- See accompanying notes to consolidated financial statements -

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

	Community Based Care of Brevard,	Brevard C.A.R.E.S., Inc.	Consolidating Entries	Consolidated Total
Cash flows from operating activities				
Net decrease in net assets	\$ (128,769)	\$ (274,038)	\$ -	\$ (402,807)
Adjustments to reconcile net decrease in net assets to net cash provided by (used in) operating activities:				
Depreciation	136,882	15,294	-	152,176
Loss on disposal of fixed assets	15,303	-	-	15,303
Loss on sale of investments	74	-	-	74
Unrealized appreciation of investments	(7,205)	-	-	(7,205)
Increase in deferred revenue	326,085	71,004	-	397,089
Increase in grants and contracts receivable	(4,899)	(233)	-	(5,132)
Decrease in prepaid expenses and other current assets	50,146	19,707	-	69,853
Increase in deposits	(721)	(300)	-	(1,021)
Increase in due from affiliate	(54,775)	-	54,775	-
Increase in due to affiliate	1,607	-	(1,607)	-
Increase in due to parent	-	54,775	(54,775)	-
Increase in due from parent	-	(1,607)	1,607	-
Increase (decrease) in accounts payable	(17,763)	62,508	-	44,745
Decrease in accrued expenses	(103,967)	(1,060)	-	(105,027)
Net cash provided by (used in) operating activities	<u>211,998</u>	<u>(53,950)</u>	<u>-</u>	<u>158,048</u>
Cash flows from investing activities				
Proceeds from sale of investments	6,425	-	-	6,425
Purchases of investments	(422,200)	-	-	(422,200)
Purchases of property and equipment	(101,387)	(9,568)	-	(110,955)
Net cash used in investment activities	<u>(517,162)</u>	<u>(9,568)</u>	<u>-</u>	<u>(526,730)</u>
Net decrease in cash and cash equivalents	<u>(305,164)</u>	<u>(63,518)</u>	<u>-</u>	<u>(368,682)</u>
Cash and cash equivalents, beginning of year	1,993,435	591,681	-	2,585,116
Cash and cash equivalents, end of year	<u>\$ 1,688,271</u>	<u>\$ 528,163</u>	<u>\$ -</u>	<u>\$ 2,216,434</u>

- See accompanying notes to consolidated financial statements -

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

ADDITIONAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2011

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
STATE FINANCIAL ASSISTANCE, AND STATE MATCHING OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Federal/State Agency, Pass-Through Entity, State Project</u>	<u>CFDA/ CSFA Number</u>	<u>Grantor's Contract Number</u>	<u>Expenditures</u>
FEDERAL AWARDS			
<u>U.S. Department of Health and Human Services</u>			
Passed through State of Florida			
Department of Children and Families:			
Promoting Safe and Stable Families	93.556	GJK46	\$ 570,286
Social Services Block Grant	93.667	GJK46	886,774
Temporary Assistance for Needy Families-TANF Cluster	93.558	GJK46	2,001,718
Foster Care Title IV-E	93.658	GJK46	3,884,454
ARRA-Foster Care-Title IV-E	93.658	GJK46	374,600
			<u>4,259,054</u>
Child Welfare Services-State Grants	93.645	GJK46	268,510
Adoption Assistance	93.659	GJK46	1,547,733
ARRA-Adoption Assistance	93.659	GJK46	127,441
			<u>1,675,174</u>
Medical Assistance Program	93.778	GJK46	31,627
Chafee Foster Care Independence Program	93.674	GJK46	109,752
Chafee Education and Training Vouchers Program	93.599	GJK46	45,963
Grants to States for Access and Visitation Programs	93.597	GJK46	11,478
Child Abuse and Neglect State Grants	93.669	GJK46	151,151
Adoption Incentive Payments	93.603	GJK46	148,599
Total Expenditures of Federal Awards			<u><u>\$ 10,160,086</u></u>
STATE FINANCIAL ASSISTANCE			
Department of Children and Families			
Community Based Care Supports	60.094	GJK46	\$ 9,601,115
Total Expenditures of State Financial Assistance			<u><u>\$ 9,601,115</u></u>
STATE MATCHING OF FEDERAL AWARDS			
Department of Children and Families			
Promoting Safe and Stable Families	93.556	GJK46	\$ 13,621
Chafee Education and Training Vouchers Program	93.599	GJK46	11,490
Child Welfare Services-State Grants	93.645	GJK46	89,503
Adoption Assistance	93.659	GJK46	1,209,329
ARRA-Adoption Assistance	93.659	GJK46	67,692
Chafee Foster Care Independence Program	93.674	GJK46	27,437
Medical Assistance Program	93.778	GJK46	40,864
Block Grants for Community Mental Health Services	93.958	GJK46	253,340
Total Expenditures of State Matching of Federal Awards			<u><u>\$ 1,713,276</u></u>
Total Expenditures of Federal Awards, State Financial Assistance, and State Matching of Federal Awards			<u><u>\$ 21,474,477</u></u>

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
STATE FINANCIAL ASSISTANCE, AND STATE MATCHING OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

(Continued)

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 statement 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 Schedule of Expenditures of Federal Awards and State Financial Assistance.

Note (4): Sub-recipients

Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate have obtained and acted upon required sub-recipient audit reports and these reports meet the requirements of OMB Circular A-133 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/a Brevard Family Partnership provided federal and state awards under contract GJK46 to sub-recipients as follows:

Federal Awards:

U.S. Department of Health and Human Services		
Promoting Safe and Stable Families	93.556	\$ 497,480
Social Services Block Grant	93.667	525,450
Temporary Assistance for Needy Families	93.558	850,393
Foster Care Title IV-E	93.658	2,494,854
Child Welfare Services-State Grant	93.645	221,545
Adoption Assistance	93.659	697,173
Chafee Foster Care Independence Program	93.674	137,188
Child Abuse and Neglect State Grants	93.669	135,050
Block Grants for Community Mental Health Services	93.958	126,859
Total Federal		<u>5,685,992</u>

State Financial Assistance:

State of Florida, Department of Children and Families		
Community Based Care Supports	60.094	4,843,710
Total Federal Awards and State Financial Assistance		<u><u>\$ 10,529,702</u></u>

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
STATE FINANCIAL ASSISTANCE, AND STATE MATCHING OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

(Continued)

Note (4): Sub-recipients (Continued)

Subrecipients are as follows:

Brevard Behavioral Consultants	\$ 52,286
Brevard C.A.R.E.S.	1,890,453
Brevard Co. Country Acres	243,770
Brevard Youth Transitional Center	75,840
Catholic Charities	75,000
Center for Drug Free Living	40,754
Change Academy Lake of the Ozarks	28,800
Children's Home Society	2,627,893
Coastal Behavioral Therapy	129,379
Crosswinds Youth Services	354,383
Crystal Lake Supportive Environments	39,327
Devereux	3,517,065
Intervention Services	427,436
La Mirada Group Home	6,212
Links of Hope	7,981
My Refuge Children's Shelter	66,000
National Mentor Healthcare	349,345
Park Place Behavioral Healthcare	31,185
Pediatric Pavilion	5,699
Quality Care Group Home	6,521
Royal Priesthood I	196,920
St. Augustine Youth Services	54,806
Tampa Bay Academy	6,450
The Chrysalis Center	39,690
The Grove Counseling Center	20,268
The Haven for Children	146,000
Yellow Umbrella	90,239
	<u>\$ 10,529,702</u>

Of the expenses presented in the accompanying Consolidated Schedule of Federal Awards and State Financial Assistance, Affiliate, Brevard C.A.R.E.S., Inc. provided federal and state awards under contract PRE0901 to sub-recipients as follows:

Federal Awards:

U.S. Department of Health and Human Services		
Child Abuse and Neglect State Grants	93.669	\$ 17,349

State Financial Assistance:

State of Florida, Department of Children and Families		
Community Based Care Supports	60.094	217,921

Total Federal Awards and State Financial Assistance		<u>\$ 235,270</u>
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Subrecipients are as follows:

Brevard Behavioral Consultants	\$ 11,265
Coastal Behavioral Therapy	14,158
Devereux	9,326
Intervention Services	165,700
Links of Hope	5,292
Yellow Umbrella	29,529
	<u>\$ 235,270</u>

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**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,
Community Based Care of Brevard, Inc.
d/b/a Brevard Family Partnership and affiliate:

We have audited the consolidated financial statements of Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership (a nonprofit organization) and affiliate as of and for the year ended June 30, 2011, and have issued our report thereon dated December 5, 2011. We conducted our audits 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate's internal control over financial reporting as a basis for designing our auditing procedures 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. d/b/a Brevard Family Partnership and affiliate's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of board of directors, management, federal and state awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore + Co., P.L.C.

Gainesville, Florida
December 5, 2011

JAMES MOORE & CO., P.L.

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL AWARDS PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA

To the Board of Directors,
Community Based Care of Brevard, Inc.
d/b/a Brevard Family Partnership and affiliate:

Compliance

We have audited Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership (a nonprofit organization) and affiliate's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the State of Florida, Executive Office of the Department of Financial Services Compliance Supplement that could have a direct and material effect on each of Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate's major federal programs and state financial assistance projects for the year ended June 30, 2011. Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate's major federal programs and state financial assistance projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state financial assistance projects is the responsibility of Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate's management. Our responsibility is to express an opinion on Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Those standards and OMB Circular A-133 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 financial assistance project occurred. An audit includes examining, on a test basis, evidence about Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate'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. Our audit does not provide a legal determination on Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate's compliance with those requirements.

In our opinion, Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state financial assistance project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 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 Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate'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 financial assistance 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 financial assistance project will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of board of directors, management, federal and state awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

James Marc + Co., P.L.

Gainesville, Florida
December 5, 2011

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATED SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL
AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None Reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs: CFDA No. 93.659, Adoption Assistance and ARRA-Adoption Assistance
CFDA No. 93.667, Social Services Block Grant

Dollar threshold used to distinguish between the type A and type B programs: \$304,803

Auditee qualified as a low-risk auditee? Yes No

**COMMUNITY BASED CARE OF BREVARD, INC.
D/B/A BREVARD FAMILY PARTNERSHIP AND AFFILIATE
CONSOLIDATED SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL
AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)**

State Financial Assistance

Internal control over major state financial assistance projects:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None Reported

Type of auditors' report issued on compliance for major state financial assistance projects: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Rules of the Auditor General Chapter 10.650? X Yes _____ None Reported

Identification of major state financial assistance CSFA No. 60.094, Community Based Care Supports

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Section II. Findings relating to the Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards* None.

Section III. Findings and Questioned Costs for Federal Awards: None.

Section IV. Findings and Questioned Costs for State Financial Assistance: None.

Section V. Prior Audit Findings and Corrective Action Plan for Federal Awards for the Year Ended June 30, 2010: None.

Section VI. Prior Audit Findings and Corrective Action Plan for State Financial Assistance for the Year Ended June 30, 2010: None.

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**MANAGEMENT LETTER OF INDEPENDENT AUDITORS'
REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

To the Board of Directors
Community Based Care of Brevard, Inc.
d/b/a Brevard Family Partnership and affiliate:

We have audited the financial statements of Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate as of and for the year ended June 30, 2011, and have issued our report thereon dated December 5, 2011.

We conducted our audit 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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters, Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Financial Assistance Project and on Internal Control Over Compliance, and Consolidated Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 5, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.650, Rules of the Auditor General, which requires disclosure in the management letter of violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements or State project amounts that is less than material but more than inconsequential. In addition, for matters that have an inconsequential effect on the financial statements or State project amounts, considering both quantitative and qualitative factors, the following may be reported based on professional judgment: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred, or are likely to have occurred, (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, the following matter is required to be disclosed:

Reconciliation of Cash Accounts:

Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate's procedure number CM-101 requires bank reconciliations to be completed within 20 working days, bank statements to be opened and reviewed by someone independent of finance and bank reconciliations to be approved by the accounting manager. During a test of controls over bank reconciliations, we discovered that the May bank reconciliations for Brevard C.A.R.E.S., Inc., were not signed off by the accounting manager, nor were the bank statements signed off as being opened and reviewed by someone independent of finance. We recommend Community Based Care of Brevard, Inc. d/b/a

Brevard Family Partnership and affiliate review policies and procedures related to bank reconciliations and develop necessary tools to verify procedures are being followed.

Community Based Care of Brevard, Inc. d/b/a Brevard Family Partnership and affiliate's response to the finding identified in our audit is described below. We did not audit management's response and, accordingly, we express no opinion on it.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore + Co., P.L.

Gainesville, Florida
December 5, 2011



Brevard Family Partnership
A Community Based Care Agency
2301 W. Eau Gallie Blvd, Suite 4
Melbourne, FL 32935
(321)752-4650
(321)752-3188
www.brevardfp.org

To the Board of Directors,
Community Based Care of Brevard, Inc.
d/b/a Brevard Family Partnership and affiliate:

This letter is being written to address the audit finding reported in the management letter required by Chapter 10.650, Rules of the Auditor General of the State of Florida for the fiscal year completed 2010/2011. Brevard Family Partnership (BFP) has implemented corrective action to respond to the cited issue as follows:

Reconciliation of Cash Accounts –

Our facility relocated and our mail was not being forwarded as we directed the post office. Numerous attempts were made to our bank to obtain the bank statement, to no avail for timeliness. Therefore; the bank statement was not able to be reconciled in a timely manner.

BFP has implemented receipt of our bank statements via our online banking as to not delay the reconciliation process if there is a some unforeseen mail delay in the future.

Sincerely,

Gloria Hensler
Finance Director