

**COMMUNITY PARTNERS  
OF SOUTH FLORIDA**

**REPORT ON AUDIT OF  
CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2017  
*(with comparable totals for 2016)***

## TABLE OF CONTENTS

	<u>PAGE</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1-2
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Cash Flows	5-6
Consolidated Statement of Functional Expenses	7-8
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	9-21
<b>OTHER REPORTS</b>	
Independent Auditor's 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> .	22-23
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.	24-25
Schedule of Findings and Questioned Costs	26-27
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Expenditures of Federal Awards	28-30
Schedules of Other Financial Assistance	31-32
Schedule of State Earnings (Florida Department of Children and Families)	33
Program/Cost Center Actual Expenses and Revenues Schedule (Florida Department of Children and Families)	34-41
Schedule of Related Party Transactions (Florida Department of Children and Families)	42
Consolidating Statement of Financial Position	43
Consolidating Statement of Activities	44
Schedule of Program Services	45



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of  
Community Partners of South Florida  
Riviera Beach, Florida

We have audited the accompanying consolidated financial statements of Community Partners of South Florida (a consolidation of Housing Partnership, Inc. and Parent-Child Center, Inc.) which comprise the consolidated statement of financial position as of September 30, 2017, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's 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 auditor's 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 auditor considers 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 consolidated financial position of Community Partners of South Florida as of September 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited Community Partners of South Florida's 2016 consolidated financial statements, and our report dated March 7, 2017 expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2018, on our consideration of Community Partners of South Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Partners of South Florida's internal control over financial reporting and compliance.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The accompanying schedules identified in the table of contents and presented on pages 28-32 are presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and *Audits of States, Local Governments, and Non-Profit Organizations* and are not a required part of the basic consolidated financial statements. The accompanying schedules identified in the table of contents and presented on pages 33-42 are presented for the purpose of additional analysis as required by State of Florida, Department of Children and Families, and are not a required part of the basic consolidated financial statements. In addition, the accompanying schedules identified in the table of contents and presented on pages 43-45 are also presented for the purpose of additional analysis and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management, 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.

*Holyfield & Thomas, LLC*

West Palm Beach, Florida  
March 6, 2018

## COMMUNITY PARTNERS OF SOUTH FLORIDA

CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION*As of September 30, 2017**(with comparable totals for 2016)*

	Unrestricted	Permanently Restricted	2017 Totals	2016 Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,336,091	\$ 118,325	\$ 2,454,416	\$ 2,366,449
Accounts and grants receivable	1,483,157	-	1,483,157	1,407,012
Mortgages receivable, current	42,660	-	42,660	63,914
Real estate inventory	43,042	-	43,042	140,937
Prepaid expenses	20,690	-	20,690	20,950
Total current assets	3,925,640	118,325	4,043,965	3,999,262
Cash and cash equivalents, designated	1,060,600	-	1,060,600	2,785,000
Mortgages receivable, net	5,231,618	-	5,231,618	6,707,357
Other assets	21,238	-	21,238	20,518
Related party receivables	32,251	-	32,251	32,525
Due (to) from other funds	(715,121)	715,121	-	-
Property and equipment, net	1,789,940	-	1,789,940	1,914,767
Community land trust	870,000	-	870,000	870,000
Total assets	<u>\$ 12,216,166</u>	<u>\$ 833,446</u>	<u>\$ 13,049,612</u>	<u>\$ 16,329,429</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable	\$ 208,860	\$ -	\$ 208,860	\$ 238,637
Accrued salaries and related payables	161,854	-	161,854	167,300
Refundable advances	499,227	-	499,227	438,789
Deposits	5,925	-	5,925	3,475
Mortgage payable, current	87,400	-	87,400	98,064
Total current liabilities	963,266	-	963,266	946,265
Agency payable	6,395,840	-	6,395,840	9,711,847
Accrued vacation payable	185,465	-	185,465	162,636
Mortgage payable, non-current	246,690	-	246,690	316,745
Total liabilities	<u>7,791,261</u>	<u>-</u>	<u>7,791,261</u>	<u>11,137,493</u>
Net assets:				
Unrestricted:				
Equity in fixed assets	1,455,850	-	1,455,850	1,499,958
Equity in community land trust	870,000	-	870,000	870,000
Undesignated	2,099,055	-	2,099,055	1,688,532
Total unrestricted	4,424,905	-	4,424,905	4,058,490
Restricted	-	833,446	833,446	1,133,446
Total net assets	<u>4,424,905</u>	<u>833,446</u>	<u>5,258,351</u>	<u>5,191,936</u>
Total liabilities and net assets	<u>\$ 12,216,166</u>	<u>\$ 833,446</u>	<u>\$ 13,049,612</u>	<u>\$ 16,329,429</u>

See accompanying notes to consolidated financial statements.

## COMMUNITY PARTNERS OF SOUTH FLORIDA

CONSOLIDATED STATEMENT OF  
ACTIVITIES*For the Year Ended September 30, 2017**(with comparable totals for 2016)*

	Unrestricted	Permanently Restricted	2017 Totals	2016 Totals
Support and Revenues:				
Governmental grants and contracts	\$ 8,225,261	\$ -	\$ 8,225,261	\$ 7,943,143
Contributions	4,154,732	-	4,154,732	4,509,469
Indirect income from related parties	27,008	-	27,008	26,688
Consulting fees and other revenues	663,676	-	663,676	826,094
Total support and revenues	<u>13,070,677</u>	<u>-</u>	<u>13,070,677</u>	<u>13,305,394</u>
Net assets released from restrictions	<u>300,000</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program services:				
Community revitalization	7,061,735	-	7,061,735	6,843,377
Health and human services	5,227,679	-	5,227,679	5,632,280
Total program services	<u>12,289,414</u>	<u>-</u>	<u>12,289,414</u>	<u>12,475,657</u>
Supporting services:				
Management and general	660,093	-	660,093	712,218
Development and fundraising	54,755	-	54,755	116,798
Total supporting services	<u>714,848</u>	<u>-</u>	<u>714,848</u>	<u>829,016</u>
Total expenses	<u>13,004,262</u>	<u>-</u>	<u>13,004,262</u>	<u>13,304,673</u>
Change in net assets	366,415	(300,000)	66,415	721
Net assets, beginning of year	<u>4,058,490</u>	<u>1,133,446</u>	<u>5,191,936</u>	<u>5,191,215</u>
Net assets, end of year	<u>\$ 4,424,905</u>	<u>\$ 833,446</u>	<u>\$ 5,258,351</u>	<u>\$ 5,191,936</u>

See accompanying notes to consolidated financial statements.

## COMMUNITY PARTNERS OF SOUTH FLORIDA

CONSOLIDATED STATEMENT OF  
CASH FLOWS*For the Year Ended September 30, 2017**(with comparable totals for 2016)*

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Cash received from governmental grants and contracts	\$ 8,209,554	\$ 8,130,367
Cash received from contributions	4,154,732	4,509,469
Cash received from indirect income	27,008	82,262
Cash received from consulting fees and other revenues	626,225	775,046
Net cash reimbursements for real estate inventory	97,895	202,637
Cash paid to vendors, employees, contract labor and others	(12,821,232)	(13,084,582)
Net cash paid for agency transactions	(217,007)	(213,207)
Interest received	31,472	21,321
Interest paid	(29,996)	(36,155)
Net cash provided by operating activities	<u>78,651</u>	<u>387,158</u>
Cash flows from investing activities:		
Principal receipts on mortgages receivable	122,393	31,784
Receipts from related party receivable	274	634
Proceeds from sale of property and equipment	6,590	228,600
Purchase of property and equipment	(39,222)	(241,868)
Net provided by investing activities:	<u>90,035</u>	<u>19,150</u>
Cash flows from financing activities:		
Principal payments on mortgage payable	(80,719)	(74,562)
Net cash used in financing activities	<u>(80,719)</u>	<u>(74,562)</u>
Net change in cash	87,967	331,746
Cash and cash equivalents, beginning of year	<u>2,366,449</u>	<u>2,034,703</u>
Cash and cash equivalents, end of year	<u>\$ 2,454,416</u>	<u>\$ 2,366,449</u>

*See accompanying notes to consolidated financial statements.*

**COMMUNITY PARTNERS OF SOUTH FLORIDA**

**CONSOLIDATED STATEMENT OF  
CASH FLOWS**

***For the Year Ended September 30, 2017***

***(with comparable totals for 2016)***

	2017	2016
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ 66,415	\$ 721
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Depreciation	163,438	146,779
Gain on disposal of property and equipment	(5,979)	(29,727)
(Increase) decrease in certain assets:		
Accounts and grants receivable	(76,145)	145,694
Real estate inventory	97,895	202,637
Prepaid expenses	260	7,772
Other assets	(720)	(4,551)
Increase (decrease) in certain liabilities:		
Accounts payable	(29,777)	90,443
Accrued salaries and related payables	(5,446)	(285,751)
Refundable advances	60,438	391,332
Deposits	2,450	(1,800)
Agency payable	(217,007)	(213,207)
Accrued vacation payable	22,829	(63,184)
Net cash provided by operating activities	\$ 78,651	\$ 387,158

*See accompanying notes to consolidated financial statements.*



**COMMUNITY PARTNERS OF SOUTH FLORIDA**

***For the Year Ended September 30, 2017***

	Program Services		
	Community Revitalization	Child and Family Mental Health	Total Program Services
Salaries	\$ 3,455,183	\$ 3,486,822	\$ 6,942,005
Payroll taxes	267,529	276,819	544,348
Employee benefits	331,559	330,534	662,093
Total salaries and related benefits	4,054,271	4,094,175	8,148,446
Bad debt	814	225	1,039
Client and program fees	176,108	26,883	202,991
Contract labor and fees	459,255	109,591	568,846
Dues and subscriptions	2,775	290	3,065
Employee recruitment and retention	6,976	5,269	12,245
Homeownership appraisals, credit reports and inspections	5,668	-	5,668
Insurance	87,347	33,417	120,764
Interest	5,158	-	5,158
Licenses and permits	16,514	10,608	27,122
Maintenance	130,306	6,886	137,192
Marketing and sponsored events	110,568	9	110,577
Occupancy	284,338	132,667	417,005
Office expense	51,561	21,810	73,371
Other expenses	2,069	1,875	3,944
Printing and postage	27,018	2,400	29,418
Professional fees	27,677	79,982	107,659
Supplies	101,546	21,000	122,546
Telephone	114,172	49,349	163,521
Training and staff development	13,702	3,466	17,168
Travel	194,293	182,203	376,496
Utilities	54,503	-	54,503
Indirect cost allocation	1,062,483	445,574	1,508,057
Total expenses before depreciation	6,989,122	5,227,679	12,216,801
Depreciation	72,613	-	72,613
Total functional expenses	<u>\$ 7,061,735</u>	<u>\$ 5,227,679</u>	<u>\$ 12,289,414</u>

*See accompanying notes to consolidated financial statements.*

**CONSOLIDATED STATEMENT OF  
FUNCTIONAL EXPENSES**

*(with comparable totals for 2016)*

Supporting Services				
Management and General	Fundraising	Total Supporting Services	2017 Totals	2016 Totals
\$ 1,285,952	\$ 53,554	\$ 1,339,506	\$ 8,281,511	\$ 8,297,743
94,808	4,046	98,854	643,202	669,220
79,428	6,846	86,274	748,367	727,849
1,460,188	64,446	1,524,634	9,673,080	9,694,812
-	-	-	1,039	-
100	144	244	203,235	239,019
4,162	10,534	14,696	583,542	741,640
1,617	17	1,634	4,699	8,623
3,732	38	3,770	16,015	43,574
-	-	-	5,668	3,760
16,180	190	16,370	137,134	174,900
24,838	-	24,838	29,996	36,156
20,023	202	20,225	47,347	61,907
20,381	2,223	22,604	159,796	172,529
1,980	24,797	26,777	137,354	145,300
159,244	5,842	165,086	582,091	569,758
81,577	836	82,413	155,784	158,113
18,750	189	18,939	22,883	3,061
5,422	1,831	7,253	36,671	35,873
93,392	3,144	96,536	204,195	249,183
15,276	781	16,057	138,603	147,702
46,662	472	47,134	210,655	181,925
26,205	264	26,469	43,637	59,211
16,102	299	16,401	392,897	375,943
-	-	-	54,503	54,905
(1,446,563)	(61,494)	(1,508,057)	-	-
569,268	54,755	624,023	12,840,824	13,157,894
90,825	-	90,825	163,438	146,779
<u>\$ 660,093</u>	<u>\$ 54,755</u>	<u>\$ 714,848</u>	<u>\$ 13,004,262</u>	<u>\$ 13,304,673</u>

*See accompanying notes to consolidated financial statements.*

For the Year Ended September 30, 2017

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1. **Summary of Significant Accounting Policies**

*Organization and Purpose*

Housing Partnership, Inc. (HPI) and Parent-Child Center, Inc. (PCC) are affiliated not-for-profit corporate members doing business in Palm Beach County as Community Partners of South Florida (the "Organization"). HPI and PCC are under common control with respect to the Board of Directors and management of the companies. The consolidated financial statements include the accounts of both companies and all material inter-company transactions and balances have been eliminated.

*Housing Partnership, Inc.*

HPI was organized in 1986 in response to the findings and recommendations of the Palm Beach County Affordable Housing Task Force. The Task Force recognized that the key to resolving the housing crisis is through fostering a partnership between the public and private sectors. HPI began promoting affordable single-family homeownership and soon became involved with multifamily rental housing. With the addition of significant social service programming, HPI's primary mission has evolved to partnering with families to build healthy communities and improve their quality of life.

To achieve its mission, HPI provides various programs contracted through federal, state, and county organizations. HPI has been designated as a U.S. Department of Housing and Urban Development (HUD) approved Housing Counseling Agency and as such provides pre and post purchase homeownership counseling, homeownership education and foreclosure intervention. Brief descriptions of HPI's significant programs are as follows:

- *Supportive Housing Programs* provide a blend of social service support and housing assistance to special needs populations, including homeless families, families with mental health or substance abuse issues who are also trying to transition from welfare to work, and adults with chronic mental illness. HPI has developed two properties for special needs populations and works with area landlords to facilitate decent, affordable independent living.
- *Village for Change ("VFC")* is an innovative, residential treatment program for recovery from addiction and mental illness using the Partners for Change Outcome Management System ("PCOMS") approach. All services are client driven and specific to each individual's need. VFC utilizes a holistic approach to promote sobriety, stability, and self-sufficiency. Clients are offered group, individual and family therapy, psychiatric and case management services to ensure client needs are met across various levels. The length of stay is variable and clinically driven, the average length of stay is five (5) months for residential treatment. Day treatment and outpatient services are provided to clients meeting the criteria for those levels of care. Upon discharge clients are referred to the VFC alumni program to ensure additional sober support.
- *The Homeownership Program* provides a full spectrum of homeownership services, including Homebuyer Education Classes, financial coaching, housing counseling, subsidy facilitation, mortgage lending brokerage, and coordination of the buying process. HPI is a chartered member of the prestigious national NeighborWorks America, formerly known as Neighborhood Reinvestment Corporation, and as such receives significant technical and financial assistance with an emphasis on promoting affordable housing and neighborhood revitalization.

For the Year Ended September 30, 2017

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**1. Summary of Significant Accounting Policies, continued**

*Organization and Purpose, continued*

*Housing Partnership, Inc., continued*

- *Community Land Trust* (“CLT”), HPI developed nine (9) homes through a \$1.3 million grant from Florida Housing Finance Corporation and Palm Beach County Department of Housing and Community Development for use in its CLT. In accordance with the operating structure of a CLT, the land underneath the homes is owned by HPI, while the homeowner purchases and owns the improvements. The homeowners only pay the purchase price and taxes for the improvements and lease the land from HPI for a nominal amount. This arrangement allows for favorable financing and lower real estate taxes for the homeowner. Homes can only be resold to a qualifying low-income purchaser.
- *The Lending Program* provides first mortgage loan brokerage services to potential buyers at affordable terms and in a responsible manner. HPI is a licensed mortgage lender, and served as the lending agency for the Neighborhood LIFT 1.0 program (LIFT1) in Tampa, Orlando, and Jacksonville, in partnership with NeighborWorks America and Wells Fargo.

LIFT1 provided \$15,000 or \$25,000 5-year forgivable down-payment assistance funds to qualified borrowers in those cities between July 2012 and July 2014. The LIFT1 program is currently in its administrative phase through July 2019. In November 2016 HPI entered into a similar agreement with NeighborWorks America and Wells Fargo to administer LIFT 3.0 (LIFT3) in Jacksonville. LIFT3 provides \$2,500 to \$7,500 3-year forgivable down-payment assistance funds to qualified borrowers in Jacksonville and will continue through November 2018 at which point it will enter into its 3-year administrative phase.

- *Neighborhood Stabilization Program* (“NSP”) activities are funded under the Palm Beach County NSP Residential Redevelopment Program and involve the purchase and rehabilitation of vacant, abandoned, or foreclosed upon residential properties, which will subsequently be sold or leased at affordable prices to eligible homebuyers or renters for use as their primary residence.
- *Bridges*, HPI is the lead agency for six Bridges sites in Palm Beach County: in the communities of Belle Glade, Pahokee, Riviera Beach, Boynton Beach, and two sites in Lake Worth. The purpose of the Bridges (a community hub concept) is to coordinate with organizations and create partnerships within the community with a focus on increasing healthy births, decreasing child abuse and neglect, and increasing school readiness and third grade school success in specific geographical areas. Funded by the Children’s Services Council of Palm Beach County (CSC), Bridges provides workshops and practical advice to help parents raise their children, and helps to connect families to community providers for food, shelter, medical care and other every day needs. Information is provided on wellness for adults and children, and on help getting medical care for babies, pregnant women, and families with young children.
- HPI’s two *Mentoring* programs are based on *The Elements of Best Practices*. Mentoring offers a fun, safe, and structured opportunity for one on one mentoring for children. The mentors and mentees meet weekly and participate in structured activities at school-based sites during the traditional after school hours.

For the Year Ended September 30, 2017

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**1. Summary of Significant Accounting Policies, continued***Organization and Purpose, continued**Housing Partnership, Inc., continued*

- *Safe Kids* is a community-based program that offers safety education and materials to families to decrease accidental injuries in children from birth to 14 years of age. HPI offers educational materials for all injury mechanisms including drowning prevention, home safety, pedestrian safety, bicycle safety, and child passenger safety.
- *Teen Outreach Program*® (“TOP®”) is a youth development program that uses a teen club model. TOP® helps teens develop healthy behaviors and life skills, while giving the teen a sense of purpose. TOP® - proven to empower teens, so they can lead successful lives and help build strong communities. The program has been proven to help reduce teen pregnancy, lower the risk of school suspension, and increase school success among participating youth.
- *The Youth Enrichment Academy* (“YEA”) after school programs are located at Pahokee Elementary and Pioneer Park Elementary in Belle Glade are licensed after school programs serving school-aged children aged 5-12 years old. Children enjoy a wide variety of activities and programming that develop the assets in youth which lead to resilience and success. These family-centered Youth Enrichment Academy programs are open daily from 2pm to 6pm and all day for eight weeks of summer camp.
- *San Castle Community Center* is a community center in unincorporated Palm Beach County nested between Lantana and Boynton Beach. This center is managed in coordination with the residents and partners. The center will offer a variety of behavioral, mental, and physical health programming, parenting, and recreational activities through partnerships with existing non-profit organizations. A variety of activities planned by the community include clean ups, resident leadership trainings, block parties, flea markets is intended to keep residents engaged.
- *Healthy Neighbors*, in Northern West Palm Beach and Riviera Beach, and *Healthier Lake Worth* are community-driven health initiatives aiming to increase capacity among individuals, to impact lasting and sustainable change for organizations and systems related to health and well-being, to establish a learning framework to evaluate the overall impact, and to change the behavioral health outcomes for residents.
- *The Home Instruction for Parents of Preschool Youngsters* (“HIPPY”) is a home-based, early intervention program that helps parents living in Stonybrook (Riviera Beach), San Castle, and Lake Worth, create experiences for their children that build a strong foundation for success in school as well as in later life. HIPPY is a two or three year program for parents with children ages three, four and five.
- *Dialogue to Action* is a tool to help various communities across South Florida create positive community change that includes everyone. Working directly with local communities, dialogues aim to help community members take action and make their voice heard on topics such as community issues, racial equity, poverty reduction, education reform, and building strong neighborhoods.
- *Community Initiatives* support various projects aimed at increasing the capacity of communities and residents on issues such as health and engagement.

For the Year Ended September 30, 2017

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1. Summary of Significant Accounting Policies, continued

*Organization and Purpose, continued*

*Parent-Child Center, Inc.*

PCC has been offering therapeutic support and services to children and families in Palm Beach County since 1979. All of PCC's efforts promote the social-emotional health and well-being of children and their families. These services are done through effective interventions, implemented in supportive and nurturing environments by well-trained staff.

As a community not-for-profit mental health center, PCC provides a wide range of evidence-best practices designed to provide prevention, early intervention, and intensive behavioral health services to mostly lower-income high risk children, adolescents, and families. Sources of revenue include federal, state and local grants, public and private contributions, Medicaid, insurance reimbursements, and patient fees. Counseling, case management, and supportive social-emotional services for children and their families include:

- *Triple P and Teen Triple P* provide interventions that focus on strengthening the child/caregiver dyad, healthy attachment, and positive parenting skills for parents of children ages birth to 17 years.
- *Therapy Services* provides comprehensive community behavioral health services for children, adolescents, and their families. Counseling services focus on decreasing emotional and behavioral issues related to stress, trauma, adjustment issues, or mental health disorders.
- *Department of Juvenile Justice (DJJ) Mental Health Program*: Provides comprehensive crisis and mental health services to youth held in secure detention at the Palm Beach Regional Juvenile Detention Center. Counseling services are also provided to youth and their families in the community upon leaving DJJ.
- The *Targeted Case Management* program provides services for children, adolescents, and adults who are experiencing significant emotional difficulties. The primary goal is to link, advocate, coordinate, and monitor services that will benefit the child's mental health.
- *Crossroads Program* provides services for mentally ill youth, ages 14-23, who are experiencing mental illness with the goal of maintaining their ability to live successfully within their family or foster placement while developing skills to live independently. The program provides: Individual and family therapy, case management, life skills training, parent/caregiver support, and 24-hour crisis support.
- *Trauma Team*: Provision of immediate mental health assessment and intervention for children who have been removed from their homes and are being sheltered by the Department of Children and Families. Services are provided in ChildNet's Intake and Assessment Center. The objective is to mitigate the trauma of removal and initiate services immediately.

For the Year Ended September 30, 2017

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1. Summary of Significant Accounting Policies, continued

*Financial Statement Presentation*

The Organization's consolidated financial statements are presented in accordance with FASB Accounting Standards Codification (FASB ASC) 958-205, *Presentation of Financial Statements*. This standard requires the classification of the Organization's financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- *Unrestricted net assets* – this classification includes those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by Board designation. Changes in net assets arising from exchange transactions (except income and gains on assets that are restricted by donors or by law) are included in the unrestricted net assets. The Organization uses this classification to account for those programs in which funds are received under various agreements to accomplish its stated mission.
- *Temporarily restricted net assets* – this classification includes those net assets whose use has been limited by donors to either a later period of time, or after a specified date, or for a specified purpose. The Organization does not imply time restrictions on gifts of long-lived assets. In the absence of explicit donor stipulation as to how long an asset must be held, the Organization releases any purpose restrictions when the asset is placed in service for the use stipulated by the donor. The Organization had no temporarily restricted net assets as of September 30, 2017.
- *Permanently restricted net assets* – this classification includes those net assets that must be maintained in perpetuity. Permanently restricted net assets increase when the Organization receives contributions for which donor-imposed restrictions limiting the Organization's use of an asset or its economic benefits neither expire with the passage of time nor can be removed by the Organization meeting certain requirements. The Organization uses this classification to account for capital grants from the NeighborWorks America, including \$715,121 due from the unrestricted fund.

*Basis of Presentation and Method of Accounting*

The consolidated financial statement presentation follows the recommendation of the American Institute of Certified Public Accountants in its industry *Audit and Accounting Guide, Not-for-Profit Entities*. The consolidated financial statements are prepared under the accrual method of accounting, whereby revenues are recognized when earned, and expenses when the corresponding liability is incurred.

The costs of providing the various programs and other activities have been detailed in the Consolidated Statement of Functional Expenses and summarized on a functional basis in the Consolidated Statement of Activities. Expenses associated with a specific program are charged directly to that program. Expenses which benefit more than one program are allocated based on the relative benefit provided. Administrative and general expenses are allocated to various programs using a model that compares the relative square footage use of facilities to the total square footage.

*For the Year Ended September 30, 2017*

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1. **Summary of Significant Accounting Policies, continued**

*Use of Estimates*

Management of the Organization has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in the preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

*Cash and Cash Equivalents*

For the purposes of the Consolidated Statement of Cash Flows, the Organization considers cash on hand, demand deposits, and short-term investments with original maturities of three months or less to be cash equivalents other than the cash and cash equivalents designated. See Intermediary Transactions – Agency Payable.

*Accounts, Grants, and Mortgages Receivable*

- Accounts receivable (insurance, Medicaid and/or private HMOs) are based on contracted prices for services provided. Grants receivable consists of amounts due from government agencies and other funding sources which contract and provide grant support to HPI and PCC for services. The Organization provides an allowance for doubtful accounts that is based upon a review by management of outstanding receivables, historical collection information, and existing economic conditions. The allowance as of September 30, 2017, was approximately \$30,400.
- Mortgages receivable reflect loans made to a specific target population as specified in the grant agreement between HPI and NWA and served by HPI in its home-ownership program. Customary terms of these mortgage loans involve fixed rates of 0% - 7% with amortization periods of 10 - 30 years. The allowance for doubtful accounts is based upon a review by management of outstanding receivables, historical collection information, and existing economic conditions. The allowance as of September 30, 2017, was approximately \$18,000.

*Real Estate Inventory*

Real estate inventory is carried in the Consolidated Statement of Financial Position at the lower of cost, if purchased, or fair value at date of donation. This account is used to accumulate the costs and value of the properties held for sale under the NSP program.

*Property and Equipment*

Property and equipment is recorded at cost, if purchased, or fair value at the date of donation, if donated, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of three to forty years. Costs of major renewals and improvements, in excess of \$500, that extend useful lives are capitalized. Expenditures for routine maintenance and repairs are charged to expense as incurred.

Property and equipment purchased with governmental funds must be used for its original authorized purpose for a period of 20 to 40 years for real property and for its useful life at acquisition for equipment. Items may be used for another purpose with governmental approval. If items are disposed of within the period mentioned above, the government agency has a right to an amount based on its share of the asset.



*For the Year Ended September 30, 2017***1. Summary of Significant Accounting Policies, continued***Community Land Trust*

Property held under Community Land Trust (CLT) is carried in the Consolidated Statement of Financial Position at the lower of cost, if purchased, or fair value at date of donation. This account is used to accumulate the value of the properties held under the CLT program.

*Refundable Advances*

Refundable advances include grants received from various grantors and foundations that contain donor-imposed conditions that remain unsatisfied as of the date of the financial statements.

*Intermediary Transactions – Agency Payable*

The Organization entered into agency agreements with Palm Beach County (“PBC”) under the Housing and Economic Recovery Act of 2008 to administer the NSP program, and with NWA to administer the Neighborhood LIFT (LIFT) program. Under the NSP program, PBC provides funds for the purchase, rehabilitation, and sale of the properties. No re-payment is due until the sale of the properties. Under the LIFT program, NWA (in association with Wells Fargo) provided down payment assistance designed to advance the recovery of cities most impacted by the housing crisis. The Organization has no discretionary powers over these funds and is to administer the programs according to the terms of the agreements. The Organization follows FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*, to account for these funds and does not recognize revenue or expense, but instead records an asset and an offsetting liability.

As of September 30, 2017, agency transactions reflected in the Consolidated Statement of Financial Position consisted of the following:

	<u>NSP</u>	<u>LIFT</u>	<u>Other</u>	<u>Total</u>
Cash	\$ 63,498	\$ -	\$ 175,900	\$ 239,398
Cash, designated	-	1,060,600	-	1,060,600
Real estate Inventory	43,042	-	-	43,042
Mortgage receivable	-	5,052,800	-	5,052,800
Total Assets	<u>\$ 106,540</u>	<u>\$ 6,113,400</u>	<u>\$ 175,900</u>	<u>\$ 6,395,840</u>
Agency payable	<u>\$ 106,540</u>	<u>\$ 6,113,400</u>	<u>\$ 175,900</u>	<u>\$ 6,395,840</u>
Total liabilities	<u>\$ 106,540</u>	<u>\$ 6,113,400</u>	<u>\$ 175,900</u>	<u>\$ 6,395,840</u>
Net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Governmental Grants and Contracts*

Federal, state and local government, and public grants are recorded as support when performance occurs under the terms of the grant agreement.

*For the Year Ended September 30, 2017*

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1. **Summary of Significant Accounting Policies, continued**

*Contributions*

The Organization follows FASB ASC 958-605. In accordance with this standard, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restriction.

Contributions that are initially restricted as to use are required to be reported as temporarily restricted support and are later reclassified to unrestricted net assets upon expiration of the time restriction or upon use of the contribution in accordance with the restricted purpose. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction is satisfied or expires in the reporting period in which the support is recognized.

*Patient Service Revenue*

The Organization has agreements with third-party payers that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include discounted charges for services and per diem payments. Patient services rendered to Medicaid program beneficiaries are reimbursed under a maximum fee-for-service methodology. The Organization is reimbursed at a predictable rate with final settlement determined after audit by the Medicaid fiscal intermediary. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered.

*Indirect Income and Costs*

Indirect income consists of the allocation of shared administrative salaries and expenses between HPI and PCC (eliminated during consolidation), and the management fee paid by St. Charles Place Manor, Inc. (a related party organization) to HPI for providing administrative and management services (see Note 11).

*Donated Materials, Equipment, and Services*

Donated materials, equipment, and services are considered to be available for unrestricted use, unless specifically restricted by the donor, and are treated as in-kind contributions for purposes of meeting state matching requirements. When there is an objective basis for measurement and donated services either create or enhance a nonfinancial asset, or require specialized skills that are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated, then such donated services are reported as contribution income in the accompanying Consolidated Statements of Activities at their estimated values at the date of receipt, and are also reflected as an equal expense. Donated materials and equipment are capitalized at their estimated fair value at date of donation and later expensed or depreciated accordingly. No donated materials, equipment, or services are reflected in the consolidated financial statements for the year ended September 30, 2017.

*Advertising Costs*

The Organization expenses the cost of advertising as incurred. Advertising expense was approximately \$28,000 for the year ended September 30, 2017, and is reported as part of marketing and sponsored events in the Consolidated Statement of Functional Expenses.

*For the Year Ended September 30, 2017*

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1. **Summary of Significant Accounting Policies, continued**

*Compensated Absences*

The Organization has a policy to accumulate unused vacation up to 100 hours depending on accrual earning levels. All accumulated vacation leave is payable to employees upon termination or retirement at the rate of pay on that date. Sick leave may be accumulated up to a maximum of 160 hours, but is not paid upon termination. Accumulated unpaid vacation benefits are accrued as a liability and charged to expense.

*Recent Accounting Pronouncements*

The Financial Accounting Standards Board recently issued several Accounting Standards Updates (ASUs) that affect the accounting and reporting of not-for-profit entities. The FASB issued ASU 2016-02, *Leases* (Topic 842), which does not take effect until the Organization's fiscal year ending September 30, 2021, and provides new guidance for leases, such that virtually all leases will be capitalized and create "right of use" assets along with associated liabilities. This standard will impact the interpretation of certain transactions of the Organization, and management is evaluating the effect that the updated standard will have on the consolidated financial statements. ASU 2016-14, *Not-for-Profit Entities* (Topic 958), imposes new requirements for the presentation and disclosure of not-for-profit financial statements, including a reduction in the number of net asset categories from 3 classes to 2 classes, a requirement to present a statement of functional expenses, a requirement to disclose the quantitative and qualitative aspects of its liquidity, in addition to other provisions. This ASU will be effective for the Organization's fiscal year ending September 30, 2019, with early implementation permitted. As with the new guidance on leasing, management is evaluating the effect that this updated standard will have on the consolidated financial statements.

*Income Taxes*

HPI and PCC are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 and have been classified as publicly supported organizations, which are not private foundations under 509(a) of the Code. Income from certain activities not directly related to HPI's and PCC's tax-exempt purpose is subject to taxation as unrelated business income. Based upon an analysis of its net unrelated business income for the current fiscal year, management does not believe there is any income tax owed for the period, and accordingly there is no provision for income taxes reflected in the accompanying consolidated financial statements.

HPI and PCC follow FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This standard seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. HPI and PCC assess the income tax positions based on management's evaluation of the facts, circumstances, and information available at the reporting date. HPI and PCC use the prescribed more likely than not threshold when making their assessment. There are currently no open Federal or State tax years under audit.

For the Year Ended September 30, 2017**1. Summary of Significant Accounting Policies, continued***Comparable Financial Information*

The consolidated financial statements include certain prior year summarized comparable information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended September 30, 2016, from which the summarized information was derived. Certain 2016 amounts have been reclassified to conform to 2017 classifications.

**2. Accounts and Grants Receivable**

Accounts and grants receivable as of September 30, 2017, consisted of the following:

	<u>HPI</u>	<u>PCC</u>	<u>Total</u>
Government agencies	\$ 796,358	\$ 392,850	\$ 1,189,208
Insurance (third-party payer)	-	304,474	304,474
Foundations and other receivables	<u>13,980</u>	<u>5,942</u>	<u>19,922</u>
	810,338	703,266	1,513,604
Allowance for doubtful accounts	<u>-</u>	<u>(30,447)</u>	<u>(30,447)</u>
	<u>\$ 810,338</u>	<u>\$ 672,819</u>	<u>\$ 1,483,157</u>

**3. Mortgages Receivable**

As of September 30, 2017, mortgages receivable consisted of the following:

	<u>HPI</u>	<u>PCC</u>	<u>Total</u>
LIFT	\$ 5,052,800	\$ -	\$ 5,052,800
NWA	<u>239,428</u>	<u>-</u>	<u>239,428</u>
	5,292,228	-	5,292,228
Allowance for doubtful accounts	<u>(17,950)</u>	<u>-</u>	<u>(17,950)</u>
Mortgage receivable, net	5,274,278	-	5,274,278
Current portion	<u>(42,660)</u>	<u>-</u>	<u>(42,660)</u>
Non-current portion	<u>\$ 5,231,618</u>	<u>\$ -</u>	<u>\$ 5,231,618</u>

**4. Due (to) from other Funds**

The category due (to) from other funds includes transactions between the permanently restricted fund and the unrestricted fund. As of September 30, 2017, the unrestricted fund owed the permanently restricted fund approximately \$715,000 related to funds from the NWA program that were invested in accordance with the terms of the grant and are not currently available in the NWA cash balance.

For the Year Ended September 30, 2017**5. Property and Equipment**

Property and equipment as of September 30, 2017, consisted of the following:

	<u>HPI</u>	<u>PCC</u>	<u>Total</u>
Buildings and improvements	\$ 1,185,354	\$ 634,220	\$ 1,362,354
Leasehold improvements	344,023	8,768	810,011
Furniture and equipment	467,123	308,725	775,848
Vehicles	<u>168,569</u>	<u>-</u>	<u>168,569</u>
	2,165,069	951,713	3,116,782
Accumulated depreciation	<u>(976,389)</u>	<u>(350,453)</u>	<u>(1,326,842)</u>
	<u>\$ 1,188,680</u>	<u>\$ 601,260</u>	<u>\$ 1,789,940</u>

**6. Mortgages Payable***Housing Partnership, Inc.*

HPI has a mortgage payable to a financial institution for a Townhouse at Sonoma Bay community in Riviera Beach. The mortgage bears interest at a rate of 7.50% per annum, requiring monthly payments of principal and interest totaling \$1,433. The mortgage matures November 13, 2021.

\$ 61,261

*Parent-Child Center, Inc.*

PCC has a mortgage payable to a Florida not-for-profit corporation for the purchase of a building on Melaleuca Drive used for the VFC program. The mortgage bears interest at a rate of 8.00% per annum, requiring monthly payments of principal and interest totaling \$7,793. The mortgage matures January 7, 2021.

272,829

334,090

Less current portion

87,400

\$ 246,690

Approximate annual principal payments on mortgages payable for future fiscal years ending September 30, are as follows:

	<u>HPI</u>	<u>PCC</u>	<u>Total</u>
2018	\$ 13,000	\$ 74,400	\$ 87,400
2019	14,000	80,600	94,600
2020	15,100	87,200	102,300
2021	16,300	30,629	46,929
Thereafter	<u>2,861</u>	<u>-</u>	<u>2,861</u>
	<u>\$ 61,261</u>	<u>\$ 272,829</u>	<u>\$ 334,090</u>

For the Year Ended September 30, 2017**7. Operating Lease Agreements**

The Organization leases approximately 27,500 square feet of office space under a non-cancellable operating lease. The lease requires monthly payments of \$33,360 and expires on March 31, 2020.

The Organization also leases equipment under various non-cancelable operating leases, and expenses the lease payments as incurred. The leases expire at various dates through November 30, 2020.

Approximate future annual payments due under the Organization's non-cancellable leases are as follows:

	<u>HPI</u>	<u>PCC</u>	<u>Total</u>
2018	\$ 491,400	\$ 194,300	\$ 685,700
2019	476,200	194,000	670,200
2020	289,800	95,400	385,200
2021	115,100	-	115,100
2022	67,500	-	67,500
	<u>\$ 1,440,000</u>	<u>\$ 483,700</u>	<u>\$ 1,923,700</u>

Total rental expense for the year ended September 30, 2017 was approximately \$580,600 and is recorded within occupancy expense in the Consolidated Statement of Functional Expenses.

**8. 403(b) Retirement Plan**

The Organization maintains a retirement plan under section 403(b) of the Internal Revenue Code. Under the plan, employees of both HPI and PCC can contribute up to allowable limits. In addition, both organizations match up to 5% of employee contributions for eligible employees with over one year of service. HPI and PCC contributed approximately \$104,200 to the plan during the year ended September 30, 2017.

**9. Future Operations and Economic Dependency**

The Board of Directors and management continue to pursue additional sources of unrestricted revenue while holding administrative expenses to a minimum. Such actions are designed to allow the Organization to continue serving the needs of Palm Beach County and to remain current on outstanding liabilities. Management believes the Organization has sufficient planned revenues from grants, real estate inventory sales, and development administration fees to continue paying its debts on a timely basis and to continue steady growth. The loss of these supporting funds could have a negative impact upon the Organization.

*Housing Partnership, Inc.*

HPI receives a significant portion of its funding from public sources and is, therefore, dependent upon the availability of governmental grants and awards for its continued existence. HPI currently receives approximately 51% of its funding from the Children's Services Council of Palm Beach County and 14% from the Southeast Florida Behavioral Health Network (Department of Children and Families).

*For the Year Ended September 30, 2017*

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**9. Future Operations and Economic Dependency, continued**

*Parent-Child Center, Inc.*

PCC receives a significant portion of its funding from program revenues for services provided. These revenues consist of Medicaid and Private Insurance company billings and account for 45% of total revenues. PCC also receives funding from other public sources, including 23% from the Children's Services Council of Palm Beach County and 21% from the Southeast Florida Behavioral Health Network (Department of Children and Families).

**10. Concentration of Credit Risk for Cash Held in Banks**

At various times during the year, the Organization had funds on deposit at financial institutions in excess of the \$250,000 insured by the Federal Deposit Insurance Corporation (FDIC). The Organization minimizes its risk by depositing cash in financial institutions with a high credit standing. The Organization has not experienced any losses of such funds and management believes the Organization is not exposed to significant risk on cash. As of September 30, 2017, HPI had approximately \$2,473,000 in excess of FDIC insurance limits. PCC had no funds in excess of the federally insured limit.

**11. Related Party Transactions**

During 2017, the Organization entered into various transactions with a related party. The party is related through common officers and/or directors.

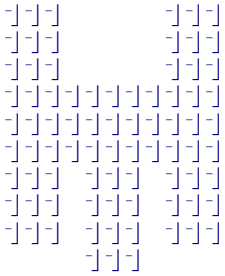
- *St. Charles Place Manor*

HPI sponsored the creation of St. Charles Place Manor (St. Charles), funded through a HUD 811 grant. The HUD 811 grant required the sponsor to create a single-asset 501(c)(3) entity to administer the grant and to maintain the asset. The CEO of HPI is also the CEO of St. Charles, however its Board of Directors is different than that of HPI. HPI provided all financial, administrative, and operational services for St. Charles since its incorporation in March 2006. During the year ended September 30, 2017, St. Charles paid HPI approximately \$27,000 for management and supporting services. Approximately, \$2,300 is due at year end. In addition, as part of an advance for initial working capital, as required by the HUD 811 grant, St. Charles owed HPI \$30,000, as of September 30, 2017.

**12. Subsequent Event**

*Date of Management Evaluation*

Management has evaluated subsequent events through March 6, 2018, the date on which the consolidated financial statements were available to be issued, and determined that there were no further disclosures required to be presented in these consolidated financial statements.



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## INDEPENDENT AUDITOR'S 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 and Management of  
Community Partners of South Florida  
Riviera Beach, 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 Partners of South Florida (a consolidation of Housing Partnership, Inc. and Parent-Child Center, Inc.), which comprise the consolidated statement of financial position as of September 30, 2017, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 6, 2018.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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**

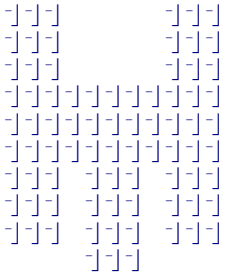
As part of obtaining reasonable assurance about whether Community Partners of South Florida's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which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

## **Purpose of this Report**

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

*Holyfield & Thomas, LLC*

West Palm Beach, Florida  
March 6, 2018



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors and Management of  
Community Partners of South Florida  
Riviera Beach, Florida

### Report on Compliance for Each Major Federal Program

We have audited Community Partners of South Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Partners of South Florida's major federal programs for the year ended September 30, 2017. Community Partners of South Florida's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Community Partners of South Florida's major federal programs 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, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 occurred. An audit includes examining, on a test basis, evidence about Community Partners of South Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Partners of South Florida's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Community Partners of South Florida 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 for the year ended September 30, 2017.

### **Report on Internal Control Over Compliance**

Management of Community Partners of South Florida 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 Partners of South Florida's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Partners of South Florida'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 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 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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Holyfield & Thomas, LLC*

West Palm Beach, Florida  
March 6, 2018

*For the Year Ended September 30, 2017*

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**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

*Consolidated Financial Statements:*

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None
Significant deficiencies identified that are not considered to be material weaknesses?	None
Noncompliance material to consolidated financial statements noted?	None

*Federal Awards:*

Internal control over major programs:	
Material weakness(es) identified?	None
Significant deficiencies identified that are not considered to be material weaknesses?	None

Type of auditor's report issued on compliance for major program	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None
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Major program:

CFDA Number:	93.959
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    Name of Federal program or cluster:

- U.S. Department of Health and Human Services
  - Block Grants for Prevention and Treatment of Substance Abuse - Village for Change

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Audit qualified as low-risk auditee?	Yes
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*For the Year Ended September 30, 2017*

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

There are no findings reported for the year ended September 30, 2017, relative to federal awards for Housing Partnership, Inc.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There are no findings or questioned costs reported for the year ended September 30, 2017, relative to federal awards for Housing Partnership, Inc.

**PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS:**

There were no prior year audit findings or questioned costs for the year ended September 30, 2016, relative to federal awards requiring action on the part of the Housing Partnership, Inc. for that fiscal year.

**CORRECTIVE ACTION PLAN:**

There is no corrective action plan required, as there are no findings for the year ended September 30, 2017 with respect to federal awards.

**MANAGEMENT LETTER:**

There are no comments for the fiscal year ended September 30, 2017.

**SUPPLEMENTARY INFORMATION**

COMMUNITY PARTNERS OF SOUTH FLORIDA

SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS

*For the Year Ended September 30, 2017*

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract Grant Number	Expenditures
<u>HOUSING PARTNERSHIP, INC.</u>			
Direct Programs:			
U.S. Department of Housing and Urban Development:			
Homeownership	93.602	90E1075601	\$ 2,300
Homeownership	93.602	90E1080601	<u>9,200</u>
			<u>11,500</u>
Indirect Programs Passed through:			
Congressional appropriation:			
NeighborWorks America:			
Lending Operations	99.999		152,500
Housing Counseling	99.999		137,000
San Castle	99.999		54,825
Special Projects	99.999		<u>68,000</u>
			<u>412,325</u>
U.S. Department of Housing and Urban Development:			
NeighborWorks America:			
Housing Counseling	14.169		<u>20,907</u>
U.S. Department of Health and Human Services:			
University of South Florida:			
Temporary Assistance for Needy Families (TANF):	93.558	5830-1467-11-N	<u>180,338</u>
State of Florida, Department of Children and Families, Southeast Florida Behavioral Health Network:			
Temporary Assistance for Needy Families (TANF)	93.558	PNA 15-1618	<u>165,727</u>
Community Support Services:			
Adult Mental Health	93.958	PNA15-1618	7,515
Adult Substance Abuse	93.959	PNA15-1618	<u>428,407</u>
			<u>435,922</u>
Total expenditures of federal awards			<u><u>\$ 1,226,719</u></u>

*See independent auditor's report.*

COMMUNITY PARTNERS OF SOUTH FLORIDA

SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS

*For the Year Ended September 30, 2017*

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract Grant Number	Expenditures
<u>PARENT-CHILD CENTER, INC.</u>			
Indirect Programs Passed through:			
U.S. Department of Health and Human Services:			
State of Florida, Department of Children and Families,			
Southeast Florida Behavioral Health Network:			
Temporary Assistance for Needy Families (TANF)	93.558	PNF20-1618	\$ 132,541
Children's and Adult Mental Health	93.958	PNF20-1618	108,756
Children's and Adult Mental Health	93.104	PNF20-1618	<u>5,026</u>
Total expenditures of federal awards			<u>\$ 246,323</u>

*See independent auditor's report.*



*For the Year Ended September 30, 2017*

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Notes:

1. The NeighborWorks America (NWA) awarded Housing Partnership, Inc. \$519,147 in unrestricted funds during the current year. In addition, during the year ended September 30, 2017, NWA released the restriction on \$300,000; the program-to-date restricted capital award equals \$833,446. Because this is a non-expendable capital grant, there are no expenses. Instead, these funds are retained in assets such as cash, mortgages receivable, property, and/or the inter-fund payable supported by those same assets. The NWA capital grant is displayed in the permanently restricted column of the Consolidated Statement of Financial Position.

Additional Information:

A. Basis of Presentation

The Schedules of Expenditures of Federal Awards and State Financial Assistance include the Federal and State grant activity of Housing Partnership, Inc. and Parent-Child Center, Inc., and are presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic consolidated financial statements.

*See independent auditor's report.*

COMMUNITY PARTNERS OF SOUTH FLORIDA

SCHEDULE OF OTHER  
FINANCIAL ASSISTANCE

*For the Year Ended September 30, 2017*

Agency Name	Contract Grant Number	Expenditures
<u>HOUSING PARTNERSHIP, INC.</u>		
Children's Services Council of Palm Beach County:		
Bridges	638	\$ 3,078,215
Teen Outreach Program	645	409,267
Safe Kids	659	<u>243,925</u>
		<u>\$ 3,731,407</u>
Palm Beach County Board of County Commissioners:		
Financially Assisted Agencies	R2016-1456	<u>\$ 71,301</u>
United Way of Palm Beach County:		
Support for Homeownership	N/A	\$ 3,400
Prosperity Centers	N/A	150,000
Mentoring at Bridges	N/A	118,433
Mentoring at Pioneer Park	N/A	<u>70,174</u>
		<u>\$ 342,007</u>

*See independent auditor's report.*

COMMUNITY PARTNERS OF SOUTH FLORIDA

SCHEDULE OF OTHER  
FINANCIAL ASSISTANCE

*For the Year Ended September 30, 2017*

Agency Name	Contract Grant Number	Expenditures
<u>PARENT-CHILD CENTER, INC.</u>		
Children's Services Council of Palm Beach County:		
Positive Parenting Program	611	\$ 1,048,687
Positive Parenting Program-Teen Triple P	675	<u>307,812</u>
		<u>\$ 1,356,499</u>
Town of Palm Beach United Way:		
Outpatient Services	N/A	<u>\$ 12,750</u>
United Way of Palm Beach County:		
Case Management	N/A	<u>\$ 5,000</u>

*See independent auditor's report.*

COMMUNITY PARTNERS OF SOUTH FLORIDA

SCHEDULE OF STATE EARNINGS  
(FLORIDA DEPARTMENT OF  
CHILDREN AND FAMILIES)

*For the Year Ended September 30, 2017*

	<i>Housing Partnership, Inc.</i>	<i>Parent-Child Center, Inc.</i>
	<u>                    </u>	<u>                    </u>
1. Total Expenditures	\$ 7,643,262	\$ 5,970,255
Less:		
2. Other State and Federal Funds:		
NeighborWorks America	(412,325)	-
U.S. Department of Housing and Urban Development	(20,907)	-
Florida Department of Children and Families	(997,646)	(1,207,408)
Department of Juvenile Justice	-	(106,212)
U.S. Department of Health and Human Services	(11,500)	-
University of South Florida	(180,338)	-
Florida Department of Health	(4,739)	-
3. Non-Match SAMH Funds	-	-
4. Unallowable costs per 65E-14, FAC	-	-
	<u>(1,627,455)</u>	<u>(1,313,620)</u>
5. Total allowable expenditures	6,015,807	4,656,635
	<u>x 75%</u>	<u>x 75%</u>
6. Total amount of state earnings	4,511,855	3,492,476
7. Amount of State Funds Requiring Match	<u>359,904</u>	<u>352,209</u>
8. Excess matching funds	<u>\$ 4,151,951</u>	<u>\$ 3,140,267</u>

*See independent auditor's report.*

**COMMUNITY PARTNERS OF SOUTH FLORIDA**

***For the Year Ended September 30, 2017***

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES

AGENCY: Housing Partnership, Inc.

BUDGET PERIOD: FROM 10/01/2016 TO 09/30/2017

CONTRACT #: PNA 15-1618

**PART I: ACTUAL FUNDING SOURCES & REVENUES**

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS						
	STATE SAMH-FUNDED COST CENTERS						
	Adult Mental Health		Adult Substance Abuse				
	Supportive Housing	Total for Adult Mental Health	Residential Level 4	Assessment	Case Management	Day Treatment	Incidentals
<b>IA. STATE SAMH FUNDING</b>							
(1) State Department of Children and Families	\$ 72,487	\$ 72,487	\$ 234,927	\$ 21,824	\$ 36,646	\$ 302,996	\$ 17,692
(2) TANF	25,202	25,202	73,536	4,557	11,283	-	-
(3)	-	-	-	-	-	-	-
(4)	-	-	-	-	-	-	-
<b>TOTAL STATE SAMH FUNDING</b>	<b>97,689</b>	<b>97,689</b>	<b>308,463</b>	<b>26,381</b>	<b>47,929</b>	<b>302,996</b>	<b>17,692</b>
<b>IB. OTHER GOVT. FUNDING</b>							
(1) Other State Agency Funding	-	-	-	-	-	-	-
(2) Medicaid	-	-	-	-	-	-	-
(3) Local Government	71,301	71,301	-	-	-	-	-
(4) Federal Grants and Contracts	-	-	-	-	-	-	-
(5) In-kind from local govt. only	-	-	-	-	-	-	-
<b>TOTAL OTHER GOVT. FUNDING</b>	<b>71,301</b>	<b>71,301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IC. ALL OTHER REVENUES</b>							
(1) 1st & 2nd Party Payments	-	-	-	-	-	-	-
(2) 3rd Party Payments (except Medicare)	-	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-
(4) Contributions and Donations	-	-	-	-	-	-	-
(5) Other	17	17	-	-	-	3	-
(6) In-kind	-	-	-	-	-	-	-
<b>TOTAL ALL OTHER REVENUES</b>	<b>17</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>
<b>TOTAL FUNDING</b>	<b>\$ 169,007</b>	<b>\$ 169,007</b>	<b>\$ 308,463</b>	<b>\$ 26,381</b>	<b>\$ 47,929</b>	<b>\$ 302,999</b>	<b>\$ 17,692</b>

*See independent auditor's report.*

**PROGRAM / COST CENTER ACTUAL REVENUES AND EXPENSES SCHEDULE  
(FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES)**

STATE-DESIGNATED SAMH COST CENTERS										
STATE SAMH-FUNDED COST CENTERS										
Adult Substance Abuse										
Medical Services	Outpatient - Individual	HIV Special Funding	Supportive Housing/Living	Total for Adult Substance Abuse	Total for State SAMH-Funded Cost Centers	Total for Non-State-Funded SAMH Cost Centers	Total for All State-Designated SAMH Cost Centers	Non-SAMH Cost Center	Total Funding	
\$ 46,234	\$ 87,429	\$ 11,681	\$ -	\$ 759,429	\$ 831,916	\$ -	\$ 831,916	\$ -	\$ 831,916	
-	32,680	-	18,469	140,525	165,727	-	165,727	-	165,727	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
46,234	120,109	11,681	18,469	899,954	997,643	-	997,643	-	997,643	
-	-	-	-	-	-	-	-	4,741	4,741	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	71,301	-	71,301	3,758,887	3,830,188	
-	-	-	-	-	-	-	-	625,070	625,070	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	71,301	-	71,301	4,388,698	4,459,999	
-	-	-	-	-	-	-	-	616,403	616,403	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	3	20	-	20	1,215,950	1,215,950	
-	-	-	-	-	-	-	-	561,264	561,284	
-	-	-	-	3	20	-	20	-	-	
-	-	-	-	3	20	-	20	2,393,617	2,393,637	
\$ -	\$ 120,109	\$ 11,681	\$ 18,469	\$ 899,957	\$ 1,068,964	\$ -	\$ 1,068,964	\$ 6,782,315	\$ 7,851,279	

*See independent auditor's report.*

**COMMUNITY PARTNERS OF SOUTH FLORIDA**

***For the Year Ended September 30, 2017***

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES  
 AGENCY: Housing Partnership, Inc.  
 BUDGET PERIOD: FROM 10/01/2016 TO 09/30/2017  
 CONTRACT #: PNA 15-1618  
 PART II: ACTUAL EXPENSES

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS						
	STATE SAMH-FUNDED COST CENTERS						
	Adult Mental Health		Adult Substance Abuse				
	Supportive Housing	Total for Adult Mental Health	Residential Level 4	Assessment	Case Management	Day Treatment	Incidentals
IIA. PERSONNEL EXPENSES							
(1) Salaries	\$ 129,351	\$ 129,351	\$ 148,246	\$ 12,678	\$ 23,034	\$ 145,618	\$ -
(2) Fringe Benefits	23,426	23,426	21,349	1,826	3,317	20,971	-
TOTAL PERSONNEL EXPENSES	152,777	152,777	169,595	14,504	26,351	166,589	-
IIB. OTHER EXPENSES							
(1) Building Occupancy	7,390	7,390	63,235	5,408	9,825	62,114	-
(2) Professional Services	-	-	-	-	-	-	-
(3) Travel	2,237	2,237	4,131	353	642	4,057	-
(4) Equipment	274	274	1,793	153	279	1,761	-
(5) Food Services	100	100	16,078	1,375	2,498	15,793	-
(6) Medical and Pharmacy	-	-	-	-	-	-	-
(7) Subcontracted Services	496	496	2,388	204	371	2,345	-
(8) Insurance	509	509	6,245	534	970	6,134	-
(9) Interest Paid	-	-	-	-	-	-	-
(10) Operating Supplies & Expenses	2,830	2,830	8,192	701	1,273	8,047	-
(11) Other	2,767	2,767	2,741	-	-	-	17,692
(12) Donated Items	-	-	-	-	-	-	-
TOTAL OTHER EXPENSES	16,603	16,603	104,803	8,728	15,858	100,251	17,692
TOTAL PERSONNEL & OTHER EXP.	169,380	169,380	274,398	23,232	42,209	266,840	17,692
IIC. DISTRIBUTED INDIRECT COSTS							
(a) Other Support Costs (Optional)	-	-	6,394	547	993	6,277	-
(b) Administration	33,652	33,652	53,609	4,585	8,330	52,659	-
TOT. DISTRIBUTED INDIRECT COSTS	33,652	33,652	60,003	5,132	9,323	58,936	-
TOTAL ACTUAL OPER. EXPENSES	203,032	203,032	334,401	28,364	51,532	325,776	17,692
IID. UNALLOWABLE COSTS	-	-	-	-	-	-	-
TOT. ALLOWABLE OPERATING EXP.	\$ 203,032	\$ 203,032	\$ 334,401	\$ 28,364	\$ 51,532	\$ 325,776	\$ 17,692
IIE. CAPITAL EXPENDITURES	\$ -	\$ -	\$ 4,095	\$ 350	\$ 636	\$ 4,023	\$ -

*See independent auditor's report.*

**PROGRAM / COST CENTER ACTUAL REVENUES AND EXPENSES SCHEDULE  
(FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES)**

STATE-DESIGNATED SAMH COST CENTERS											
STATE SAMH-FUNDED COST CENTERS											
Adult Substance Abuse											
Medical Services	Outpatient - Individual	HIV Special Funding	Supportive Housing/ Living	Total for Adult Substance Abuse	Total for State SAMH-Funded Cost Centers	Total for Non-State-Funded SAMH Cost Centers	Total for All State-Designated SAMH Cost Centers	Non-SAMH Cost Center	Administration	Total Funding	
\$ 22,220	\$ 57,724	\$ 5,614	\$ -	\$ 415,134	\$ 544,485	\$ -	\$ 544,485	\$ 2,960,392	\$ 958,175	\$ 4,463,052	
3,200	8,313	808	-	59,784	83,210	-	83,210	515,878	154,300	753,388	
25,420	66,037	6,422	-	474,918	627,695	-	627,695	3,476,270	1,112,475	5,216,440	
9,478	24,622	2,395	-	177,077	184,467	-	184,467	391,026	139,661	715,154	
-	-	-	-	-	-	-	-	27,678	56,457	84,135	
619	1,608	156	-	11,566	13,803	-	13,803	180,061	5,822	199,686	
269	698	68	-	5,021	5,295	-	5,295	41,853	18,116	65,264	
2,410	6,260	609	-	45,023	45,123	-	45,123	57,821	100	103,044	
-	-	-	-	-	-	-	-	-	-	-	
358	930	90	-	6,686	7,182	-	7,182	402,404	29,989	439,575	
936	2,432	236	-	17,487	17,996	-	17,996	69,350	9,693	97,039	
-	-	-	-	-	-	-	-	5,158	-	5,158	
1,228	3,190	310	-	22,941	25,771	-	25,771	291,848	101,034	418,653	
-	-	-	-	20,433	23,200	-	23,200	146,450	3,750	173,400	
-	-	-	-	-	-	-	-	-	-	-	
15,298	39,740	3,864	-	306,234	322,837	-	322,837	1,613,649	364,622	2,301,108	
40,718	105,777	10,286	-	781,152	950,532	-	950,532	5,089,919	1,477,097	7,517,548	
958	2,490	242	-	17,901	17,901	-	17,901	54,712	53,101	125,714	
8,035	20,874	2,030	-	150,122	183,774	-	183,774	878,709	(1,062,483)	-	
8,993	23,364	2,272	-	168,023	201,675	-	201,675	933,421	(1,009,382)	125,714	
\$ -	\$ 129,141	\$ 12,558	\$ -	\$ 949,175	\$ 1,152,207	\$ -	\$ 1,152,207	\$ 6,023,340	\$ 467,715	\$ 7,643,262	
-	-	-	-	-	-	-	-	-	-	-	
\$ -	\$ 129,141	\$ 12,558	\$ -	\$ 949,175	\$ 1,152,207	\$ -	\$ 1,152,207	\$ 6,023,340	\$ 467,715	\$ 7,643,262	
\$ 614	\$ 1,595	\$ 155	\$ -	\$ 11,468	\$ 11,468	\$ -	\$ 11,468	\$ -	\$ (30,508)	\$ (19,040)	

*See independent auditor's report.*



**COMMUNITY PARTNERS OF SOUTH FLORIDA**

***For the Year Ended September 30, 2017***

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES

AGENCY: Parent-Child Center, Inc.

BUDGET PERIOD: FROM 10/01/2016 TO 09/30/2017

CONTRACT #: PNF20-1619

**PART I: ACTUAL FUNDING SOURCES & REVENUES**

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS							Total for Children's Mental Health
	STATE SAMH-FUNDED COST CENTERS							
	Childrens Mental Health							
	Assessment	Case Management	Incidental	Outpatient	Outreach	Crisis Support		
<b>IA. STATE SAMH FUNDING</b>								
(1) State Department of Children and Families	\$ 12,006	\$ 108,441	\$ 12,106	\$ 469,035	\$ 56,015	\$ 70,000	\$ 727,603	
(2) TANF	-	-	-	-	-	-	-	
(3)	-	-	-	-	-	-	-	
(4)	-	-	-	-	-	-	-	
<b>TOTAL STATE SAMH FUNDING</b>	<b>12,006</b>	<b>108,441</b>	<b>12,106</b>	<b>469,035</b>	<b>56,015</b>	<b>70,000</b>	<b>727,603</b>	
<b>IB. OTHER GOVT. FUNDING</b>								
(1) Other State Agency Funding	1,070	9,662	-	41,792	4,991	6,237	63,752	
(2) Medicaid	27,056	244,380	-	1,057,003	126,234	157,750	1,612,423	
(3) Local Government	982	8,870	-	38,365	4,582	5,725	58,524	
(4) Federal Grants and Contracts	-	-	-	-	-	-	-	
(5) In-kind from local govt. only	-	-	-	-	-	-	-	
<b>TOTOTAL OTHER GOVT. FUNDING</b>	<b>29,108</b>	<b>262,912</b>	<b>-</b>	<b>1,137,160</b>	<b>135,807</b>	<b>169,712</b>	<b>1,734,699</b>	
<b>IC. ALL OTHER REVENUES</b>								
(1) 1st & 2nd Party Payments	-	-	-	-	-	-	-	
(2) 3rd Party Payments (except Medicare)	-	-	-	-	-	-	-	
(3) Medicare	-	-	-	-	-	-	-	
(4) Contributions and Donations	2,189	19,773	-	85,523	10,214	12,764	130,463	
(5) Other	9	86	-	369	44	55	563	
(6) In-kind	-	-	-	-	-	-	-	
<b>TOTAL ALL OTHER REVENUES</b>	<b>2,198</b>	<b>19,859</b>	<b>-</b>	<b>85,892</b>	<b>10,258</b>	<b>12,819</b>	<b>131,026</b>	
<b>TOTAL FUNDING</b>	<b>\$ 43,312</b>	<b>\$ 391,212</b>	<b>\$ 12,106</b>	<b>\$ 1,692,087</b>	<b>\$ 202,080</b>	<b>\$ 252,531</b>	<b>\$ 2,593,328</b>	

*See independent auditor's report.*

**PROGRAM / COST CENTER ACTUAL REVENUES AND EXPENSES SCHEDULE  
(FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES)**

STATE-DESIGNATED SAMH COST CENTERS											
STATE SAMH-FUNDED COST CENTERS										Non-SAMH Cost Center	Total Funding
Adult Mental Health						Total for State SAMH-Funded Cost Centers	Total for Non-State-Funded SAMH Cost Centers	Total for All State-Designated SAMH Cost Centers			
Assessment	Case Management	Incidental	Outpatient	Outreach	Total for Adult Mental Health						
\$ 16,903	\$ 93,644	\$ 3,246	\$ 213,514	\$ 19,905	\$ 347,212	\$ 1,074,815	\$ -	\$ 1,074,815	\$ -	\$ 1,074,815	
5,520	42,477	-	84,595	-	132,592	132,592	-	132,592	-	132,592	
-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	
22,423	136,121	3,246	298,109	19,905	479,804	1,207,407	-	1,207,407	-	1,207,407	
1,998	12,129	-	26,561	1,774	42,462	106,214	-	106,214	-	106,214	
50,531	306,759	-	671,808	44,858	1,073,956	2,686,379	-	2,686,379	-	2,686,379	
1,834	11,133	-	24,383	1,628	38,978	97,502	-	97,502	1,356,489	1,453,991	
-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	
54,363	330,021	-	722,752	48,260	1,155,396	2,890,095	-	2,890,095	1,356,489	4,246,584	
-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	
4,088	24,820	-	54,356	3,629	86,893	217,356	-	217,356	35,048	252,404	
17	107	-	235	16	375	938	-	938	121,320	122,258	
-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	
4,105	24,927	-	54,591	3,645	87,268	218,294	-	218,294	156,368	374,662	
\$ 80,891	\$ 491,069	\$ 3,246	\$ 1,075,452	\$ 71,810	\$ 1,722,468	\$ 4,315,796	\$ -	\$ 4,315,796	\$ 1,512,857	\$ 5,828,653	

*See independent auditor's report.*

**COMMUNITY PARTNERS OF SOUTH FLORIDA**

***For the Year Ended September 30, 2017***

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES

AGENCY: Parent-Child Center, Inc.

BUDGET PERIOD: FROM 10/01/2016 TO 09/30/2017

CONTRACT #: PNF20-1619

**PART II: ACTUAL EXPENSES**

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS						Total for Children's Mental Health
	STATE SAMH-FUNDED COST CENTERS						
	Childrens Mental Health						
	Assessment	Case Management	Incidental	Outpatient	Outreach	Crisis Support	
<b>IIA. PERSONNEL EXPENSES</b>							
(1) Salaries	\$ 27,622	\$ 249,491	\$ -	\$ 1,079,111	\$ 128,874	\$ 161,049	\$ 1,646,147
(2) Fringe Benefits	4,612	41,660	-	180,187	21,519	26,892	274,870
<b>TOTAL PERSONNEL EXPENSES</b>	<b>32,234</b>	<b>291,151</b>	<b>-</b>	<b>1,259,298</b>	<b>150,393</b>	<b>187,941</b>	<b>1,921,017</b>
<b>IIB. OTHER EXPENSES</b>							
(1) Building Occupancy	1,036	9,362	-	40,493	4,836	6,043	61,770
(2) Professional Services	82	744	-	3,219	384	480	4,909
(3) Travel	1,264	11,416	-	49,376	5,897	7,369	75,322
(4) Equipment	196	1,767	-	7,642	913	1,141	11,659
(5) Food Services	2	18	-	78	9	11	118
(6) Medical and Pharmacy	-	-	-	-	-	-	-
(7) Subcontracted Services	367	3,318	-	14,353	1,714	2,142	21,894
(8) Insurance	270	2,435	-	10,532	1,258	1,572	16,067
(9) Interest Paid	-	-	-	-	-	-	-
(10) Operating Supplies & Expenses	669	6,046	-	26,150	3,123	3,903	39,891
(11) Other	-	-	12,106	6,849	-	-	18,955
(12) Donated Items	-	-	-	-	-	-	-
<b>TOTAL OTHER EXPENSES</b>	<b>3,886</b>	<b>35,106</b>	<b>12,106</b>	<b>158,692</b>	<b>18,134</b>	<b>22,661</b>	<b>250,585</b>
<b>TOTAL PERSONNEL &amp; OTHER EXP.</b>	<b>36,120</b>	<b>326,257</b>	<b>12,106</b>	<b>1,417,990</b>	<b>168,527</b>	<b>210,602</b>	<b>2,171,602</b>
<b>IIC. DISTRIBUTED INDIRECT COSTS</b>							
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-
(b) Administration	7,600	68,641	-	296,892	35,456	44,309	452,898
<b>TOT. DISTRIBUTED INDIRECT COSTS</b>	<b>7,600</b>	<b>68,641</b>	<b>-</b>	<b>296,892</b>	<b>35,456</b>	<b>44,309</b>	<b>452,898</b>
<b>TOTAL ACTUAL OPER. EXPENSES</b>	<b>43,720</b>	<b>394,898</b>	<b>12,106</b>	<b>1,714,882</b>	<b>203,983</b>	<b>254,911</b>	<b>2,624,500</b>
<b>IID. UNALLOWABLE COSTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOT. ALLOWABLE OPERATING EXP.</b>	<b>\$ 43,720</b>	<b>\$ 394,898</b>	<b>\$ 12,106</b>	<b>\$ 1,714,882</b>	<b>\$ 203,983</b>	<b>\$ 254,911</b>	<b>\$ 2,624,500</b>
<b>III. CAPITAL EXPENDITURES</b>	<b>\$ (8)</b>	<b>\$ (71)</b>	<b>\$ -</b>	<b>\$ (307)</b>	<b>\$ (37)</b>	<b>\$ (46)</b>	<b>\$ (469)</b>

*See independent auditor's report.*

**PROGRAM / COST CENTER ACTUAL REVENUES AND EXPENSES SCHEDULE  
(FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES)**

STATE-DESIGNATED SAMH COST CENTERS													
STATE SAMH-FUNDED COST CENTERS											Non-SAMH Cost Center	Administration	Total Funding
Adult Mental Health						Total for State SAMH-Funded Cost Centers	Total for Non-State-Funded SAMH Cost Centers	Total for All State-Designated SAMH Cost Centers					
Assessment	Case Management	Incidental	Outpatient	Outreach	Total for Adult Mental Health								
\$ 51,587	\$ 313,175	\$ -	\$ 685,860	\$ 45,796	\$ 1,096,418	\$ 2,742,565	\$ -	\$ 2,742,565	\$ 817,371	381,331	\$ 3,941,267		
8,614	52,293	-	114,524	7,647	183,078	457,948	-	457,948	149,405	30,828	638,181		
60,201	365,468	-	800,384	53,443	1,279,496	3,200,513	-	3,200,513	966,776	412,159	4,579,448		
1,936	11,751	-	25,736	1,718	41,141	102,911	-	102,911	36,640	39,707	179,258		
154	935	-	2,047	137	3,273	8,182	-	8,182	71,800	40,078	120,060		
2,360	14,330	-	31,382	2,095	50,167	125,489	-	125,489	56,299	771	182,559		
365	2,218	-	4,858	324	7,765	19,424	-	19,424	2,247	14,220	35,891		
4	22	-	49	3	78	196	-	196	4,496	143	4,835		
-	-	-	-	-	-	-	-	-	-	-	-		
686	4,166	-	9,123	609	14,584	36,478	-	36,478	-	32,063	68,541		
504	3,057	-	6,694	447	10,702	26,769	-	26,769	6,649	6,677	40,095		
-	-	-	-	-	-	-	-	-	-	27,755	27,755		
1,250	7,589	-	16,621	1,110	26,570	66,461	-	66,461	26,696	537,403	630,560		
-	-	3,246	-	-	3,246	22,201	-	22,201	1,875	39,453	63,529		
-	-	-	-	-	-	-	-	-	-	-	-		
7,259	44,068	3,246	96,510	6,443	157,526	408,111	-	408,111	206,702	738,270	1,353,083		
67,460	409,536	3,246	896,894	59,886	1,437,022	3,608,624	-	3,608,624	1,173,478	1,150,429	5,932,531		
-	-	-	-	-	-	-	-	-	-	37,724	37,724		
14,193	86,162	-	188,697	12,600	301,652	754,550	-	754,550	183,553	(938,103)	-		
14,193	86,162	-	188,697	12,600	301,652	754,550	-	754,550	183,553	(900,379)	37,724		
81,653	495,698	3,246	1,085,591	72,486	1,738,674	4,363,174	-	4,363,174	1,357,031	250,050	5,970,255		
-	-	-	-	-	-	-	-	-	-	-	-		
\$ 81,653	\$ 495,698	\$ 3,246	\$ 1,085,591	\$ 72,486	\$ 1,738,674	\$ 4,363,174	\$ -	\$ 4,363,174	\$ 1,357,031	\$ 250,050	\$ 5,970,255		
\$ (15)	\$ (89)	\$ -	\$ (195)	\$ (13)	\$ (312)	\$ (781)	\$ -	\$ (781)	\$ -	\$ -	\$ (781)		

*See independent auditor's report.*

**COMMUNITY PARTNERS OF SOUTH FLORIDA      SCHEDULE OF RELATED PARTY TRANSACTIONS  
(FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES)**

BUDGET PERIOD: FROM 10/01/2016 TO 09/30/2017

Related Party	Allocation of related party transactions adjustment State-Designated Cost Centers			
	ASA	AMH	CMH	Total
AGENCY: <u>Housing Partnership, Inc.</u> CONTRACT: <u>PNA15-1618</u>				
Revenues from grantee:				
Services	\$ -	\$ -	\$ -	\$ -
Total revenue from grantee	\$ -	\$ -	\$ -	\$ -
Expenses associated with grantee transactions:				
Personnel services      Parent-Child Center	\$ 494	\$ -	\$ -	\$ 494
Rent                      Parent-Child Center	113,812	-	-	113,812
Total associated expenses	\$ 114,306	\$ -	\$ -	\$ 114,306
Related party transaction adjustment	\$ -	\$ -	\$ -	\$ -

AGENCY: <u>Parent-Child Center Inc.</u> CONTRACT: <u>PNF20-1619</u>				
Revenues from grantee:				
Personnel services      Housing Partnership	\$ -	\$ 494	\$ -	\$ 494
Rent                      Housing Partnership	-	-	113,812	113,812
Total revenue from grantee	\$ -	\$ 494	\$ 113,812	\$ 114,306
Expenses associated with grantee transactions:				
Other	\$ -	\$ -	\$ -	\$ -
Total associated expenses	\$ -	\$ -	\$ -	\$ -
Related party transaction adjustment	\$ -	\$ -	\$ -	\$ -

*See independent auditor's report.*

*As of September 30, 2017*

	Housing Partnership, Inc.	Parent-Child Center, Inc.	Eliminating Entry	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,413,703	\$ 40,713	\$ -	\$ 2,454,416
Accounts and grants receivable	810,338	672,819	-	1,483,157
Mortgages receivable, current	42,660	-	-	42,660
Real estate inventory	43,042	-	-	43,042
Prepaid expenses	19,478	1,212	-	20,690
Total current assets	3,329,221	714,744	-	4,043,965
Cash and cash equivalents, designated	1,060,600	-	-	1,060,600
Mortgages receivable, net	5,295,065	-	(63,447)	5,231,618
Other assets	21,238	-	-	21,238
Related party receivables	1,288,147	-	(1,255,896)	32,251
Property and equipment, net	1,188,680	601,260	-	1,789,940
Community land trust	870,000	-	-	870,000
Total assets	<u>\$ 13,052,951</u>	<u>\$ 1,316,004</u>	<u>\$ (1,319,343)</u>	<u>\$ 13,049,612</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable	\$ 182,499	\$ 26,361	\$ -	\$ 208,860
Accrued salaries and related payables	89,355	72,499	-	161,854
Refundable advances	418,637	80,590	-	499,227
Deposits	5,925	-	-	5,925
Mortgage payable, current	13,000	74,400	-	87,400
Total current liabilities	709,416	253,850	-	963,266
Agency payable	6,395,840	-	-	6,395,840
Accrued vacation payable	117,646	67,819	-	185,465
Related party payables	-	1,255,896	(1,255,896)	-
Mortgage payable, non-current	48,261	261,876	(63,447)	246,690
Total liabilities	<u>7,271,163</u>	<u>1,839,441</u>	<u>(1,319,343)</u>	<u>7,791,261</u>
Net assets:				
Unrestricted:				
Equity in fixed assets	1,127,419	264,984	63,447	1,455,850
Equity in community land trust	870,000	-	-	870,000
Undesignated	2,950,923	(788,421)	(63,447)	2,099,055
Total unrestricted	4,948,342	(523,437)	-	4,424,905
Restricted	833,446	-	-	833,446
Total net assets	<u>5,781,788</u>	<u>(523,437)</u>	<u>-</u>	<u>5,258,351</u>
Total liabilities and net assets	<u>\$ 13,052,951</u>	<u>\$ 1,316,004</u>	<u>\$ (1,319,343)</u>	<u>\$ 13,049,612</u>

See independent auditor's report.

*For the Year Ended September 30, 2017*

	Housing Partnership, Inc.	Parent-Child Center, Inc.	Eliminating Entry	Totals
Support and Revenues:				
Governmental grants and contracts	\$ 5,457,642	\$ 2,767,619	\$ -	\$ 8,225,261
Contributions	1,215,950	2,938,782	-	4,154,732
Indirect income from related parties	519,534	-	(492,526)	27,008
Consulting fees and other revenues	658,153	122,252	(116,729)	663,676
Total support and revenues	<u>7,851,279</u>	<u>5,828,653</u>	<u>(609,255)</u>	<u>13,070,677</u>
Net assets released from restrictions	-	-	-	-
Expenses:				
Program services:				
Community revitalization	7,175,547	-	(113,812)	7,061,735
Health and human services	-	5,227,679	-	5,227,679
Total program services	<u>7,175,547</u>	<u>5,227,679</u>	<u>(113,812)</u>	<u>12,289,414</u>
Supporting services:				
Management and general	452,111	703,425	(495,443)	660,093
Development and fundraising	15,604	39,151	-	54,755
Total supporting services	<u>467,715</u>	<u>742,576</u>	<u>(495,443)</u>	<u>714,848</u>
Total expenses	<u>7,643,262</u>	<u>5,970,255</u>	<u>(609,255)</u>	<u>13,004,262</u>
Change in net assets	208,017	(141,602)	-	66,415
Net assets, beginning of year	<u>5,573,771</u>	<u>(381,835)</u>	-	<u>5,191,936</u>
Net assets, end of year	<u>\$ 5,781,788</u>	<u>\$ (523,437)</u>	<u>\$ -</u>	<u>\$ 5,258,351</u>

*See independent auditor's report.*

COMMUNITY PARTNERS OF SOUTH FLORIDA

SCHEDULE OF  
PROGRAM SERVICES

*For the Year Ended September 30, 2017*

	Housing Partnership, Inc			Parent-Child Center, Inc.	Total Program Services
	Housing Services	Community Services	Community Revitalization Services	Child and Family Mental Health	
Salaries	\$ 1,020,027	\$ 2,435,156	\$ 3,455,183	\$ 3,486,822	\$ 6,942,005
Payroll taxes	79,659	187,870	267,529	276,819	544,348
Employee benefits	87,842	243,717	331,559	330,534	662,093
Total salaries and related benefits	1,187,528	2,866,743	4,054,271	4,094,175	8,148,446
Bad debt	-	814	814	225	1,039
Client and program fees	87,973	88,135	176,108	26,883	202,991
Contract labor and fees	71,826	387,429	459,255	109,591	568,846
Dues and subscriptions	2,020	755	2,775	290	3,065
Employee recruitment and retention	1,400	5,576	6,976	5,269	12,245
Homeownership appraisals, credit reports and inspections	5,283	385	5,668	-	5,668
Insurance	38,739	48,608	87,347	33,417	120,764
Interest	5,158	-	5,158	-	5,158
Licenses and permits	12,368	4,146	16,514	10,608	27,122
Maintenance	56,823	73,483	130,306	6,886	137,192
Marketing and sponsored events	15,053	95,515	110,568	9	110,577
Occupancy	73,023	211,315	284,338	132,667	417,005
Office expense	10,724	40,837	51,561	21,810	73,371
Other expenses	76	1,993	2,069	1,875	3,944
Printing and postage	482	26,536	27,018	2,400	29,418
Professional fees	9,502	18,175	27,677	79,982	107,659
Supplies	15,450	86,096	101,546	21,000	122,546
Telephone	14,628	99,544	114,172	49,349	163,521
Training and staff development	3,048	10,654	13,702	3,466	17,168
Travel	47,724	146,569	194,293	182,203	376,496
Utilities	26,966	27,537	54,503	-	54,503
Indirect cost allocation	377,612	684,871	1,062,483	445,574	1,508,057
Total expenses before depreciation	2,063,406	4,925,716	6,989,122	5,227,679	12,216,801
Depreciation	69,782	2,831	72,613	-	72,613
Total expenses	\$ 2,133,188	\$ 4,928,547	\$ 7,061,735	\$ 5,227,679	\$ 12,289,414

*See independent auditor's report.*