

**COMMUNITY PARTNERS
OF SOUTH FLORIDA**

**REPORT ON AUDIT OF
CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2018
(with comparable totals for 2017)**

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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, 2018, 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, 2018, 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 2017 consolidated financial statements, and our report dated March 6, 2018 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, 2017, 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 12, 2019, 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 29-33 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 34-43 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 44-46 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 12, 2019

COMMUNITY PARTNERS OF SOUTH FLORIDA

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION*As of September 30, 2018**(with comparable totals for 2017)*

	Unrestricted	Permanently Restricted	2018 Totals	2017 Totals
ASSETS				
Cash and cash equivalents	\$ 3,503,581	\$ 93,751	\$ 3,597,332	\$ 2,454,416
Accounts and grants receivable	1,123,548	-	1,123,548	1,483,157
Mortgages receivable, current	38,910	-	38,910	42,660
Real estate inventory	-	-	-	43,042
Prepaid expenses	36,562	-	36,562	20,737
Total current assets	4,702,601	93,751	4,796,352	4,044,012
Cash and cash equivalents, designated	799,100	-	799,100	1,060,600
Mortgages receivable, net	3,638,178	-	3,638,178	5,231,618
Other assets	21,323	-	21,323	21,191
Related party receivables	32,303	-	32,303	32,251
Due (to) from other funds	(489,661)	489,661	-	-
Property and equipment, net	1,759,789	-	1,759,789	1,789,940
Community land trust	870,000	-	870,000	870,000
Total assets	\$ 11,333,633	\$ 583,412	\$ 11,917,045	\$ 13,049,612
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 164,021	\$ -	\$ 164,021	\$ 208,860
Accrued salaries and related payables	190,190	-	190,190	161,854
Refundable advances	785,735	-	785,735	499,227
Deposits	3,325	-	3,325	5,925
Mortgage payable, current	94,500	-	94,500	87,400
Total current liabilities	1,237,771	-	1,237,771	963,266
Agency payable	4,419,697	-	4,419,697	6,395,840
Accrued vacation payable	177,794	-	177,794	185,465
Mortgage payable, non-current	152,221	-	152,221	246,690
Total liabilities	5,987,483	-	5,987,483	7,791,261
Net assets:				
Unrestricted:				
Equity in fixed assets	1,513,068	-	1,513,068	1,455,850
Equity in community land trust	870,000	-	870,000	870,000
Undesignated	2,963,082	-	2,963,082	2,099,055
Total unrestricted	5,346,150	-	5,346,150	4,424,905
Restricted	-	583,412	583,412	833,446
Total net assets	5,346,150	583,412	5,929,562	5,258,351
Total liabilities and net assets	\$ 11,333,633	\$ 583,412	\$ 11,917,045	\$ 13,049,612

See accompanying notes to consolidated financial statements.

COMMUNITY PARTNERS OF SOUTH FLORIDA

CONSOLIDATED STATEMENT OF
ACTIVITIES*For the Year Ended September 30, 2018**(with comparable totals for 2017)*

	Unrestricted	Permanently Restricted	2018 Totals	2017 Totals
Support and Revenues:				
Governmental grants and contracts	\$ 9,167,949	\$ -	\$ 9,167,949	\$ 8,225,261
Contributions	4,251,242	-	4,251,242	4,154,732
Indirect income from related parties	27,474	-	27,474	27,008
Consulting fees and other revenues	659,749	-	659,749	657,698
Total support and revenues	<u>14,106,414</u>	<u>-</u>	<u>14,106,414</u>	<u>13,064,699</u>
Net assets released from restrictions	<u>250,034</u>	<u>(250,034)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program services:				
Community revitalization	7,435,830	-	7,435,830	7,061,735
Health and human services	5,381,082	-	5,381,082	5,227,679
Total program services	<u>12,816,912</u>	<u>-</u>	<u>12,816,912</u>	<u>12,289,414</u>
Supporting services:				
Management and general	504,076	-	504,076	660,093
Development and fundraising	84,310	-	84,310	54,755
Total supporting services	<u>588,386</u>	<u>-</u>	<u>588,386</u>	<u>714,848</u>
Total expenses	<u>13,405,298</u>	<u>-</u>	<u>13,405,298</u>	<u>13,004,262</u>
Gain (loss) on sale of assets	<u>(29,905)</u>	<u>-</u>	<u>(29,905)</u>	<u>5,978</u>
Change in net assets	921,245	(250,034)	671,211	66,415
Net assets, beginning of year	<u>4,424,905</u>	<u>833,446</u>	<u>5,258,351</u>	<u>5,191,936</u>
Net assets, end of year	<u>\$ 5,346,150</u>	<u>\$ 583,412</u>	<u>\$ 5,929,562</u>	<u>\$ 5,258,351</u>

See accompanying notes to consolidated financial statements.

COMMUNITY PARTNERS OF SOUTH FLORIDA

CONSOLIDATED STATEMENT OF
CASH FLOWS*For the Year Ended September 30, 2018**(with comparable totals for 2017)*

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash received from governmental grants and contracts	\$ 9,813,598	\$ 8,209,554
Cash received from contributions	4,251,242	4,154,732
Cash received from indirect income	27,474	27,008
Cash received from consulting fees and other revenues	625,141	626,225
Net cash reimbursements for real estate inventory	43,042	97,895
Cash paid to vendors, employees, contract labor and others	(13,272,916)	(12,821,232)
Net cash paid for agency transactions	(130,140)	(217,007)
Interest received	34,608	31,472
Interest paid	(23,348)	(29,996)
Net cash provided by operating activities	<u>1,368,701</u>	<u>78,651</u>
Cash flows from investing activities:		
Principal receipts on mortgages receivable	9,640	122,393
Receipts from related party receivable	(52)	274
Proceeds from sale of property and equipment	111,790	6,590
Purchase of property and equipment	(259,794)	(39,222)
Net provided by (used in) investing activities	<u>(138,416)</u>	<u>90,035</u>
Cash flows from financing activities:		
Principal payments on mortgage payable	(87,369)	(80,719)
Net cash used in financing activities	<u>(87,369)</u>	<u>(80,719)</u>
Net change in cash	1,142,916	87,967
Cash and cash equivalents, beginning of year	<u>2,454,416</u>	<u>2,366,449</u>
Cash and cash equivalents, end of year	<u>\$ 3,597,332</u>	<u>\$ 2,454,416</u>

See accompanying notes to consolidated financial statements.

COMMUNITY PARTNERS OF SOUTH FLORIDA

CONSOLIDATED STATEMENT OF
CASH FLOWS*For the Year Ended September 30, 2018**(with comparable totals for 2017)*

	<u>2018</u>	<u>2017</u>
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ 671,211	\$ 66,415
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Depreciation	148,250	163,438
Gain on disposal of property and equipment	29,905	(5,979)
Bad debt	3,515	-
(Increase) decrease in certain assets:		
Accounts and grants receivable	359,141	(76,145)
Real estate inventory	43,042	97,895
Prepaid expenses	(15,707)	260
Other assets	(250)	(720)
Increase (decrease) in certain liabilities:		
Accounts payable	(44,839)	(29,777)
Accrued salaries and related payables	28,336	(5,446)
Refundable advances	286,508	60,438
Deposits	(2,600)	2,450
Agency payable	(130,140)	(217,007)
Accrued vacation payable	(7,671)	22,829
Net cash provided by operating activities	<u>\$ 1,368,701</u>	<u>\$ 78,651</u>

See accompanying notes to consolidated financial statements.

COMMUNITY PARTNERS OF SOUTH FLORIDA

For the Year Ended September 30, 2018

	Program Services		
	Community Revitalization	Child and Family Mental Health	Total Program Services
Salaries	\$ 3,598,577	\$ 3,578,010	\$ 7,176,587
Payroll taxes	270,045	271,594	541,639
Employee benefits	361,053	343,829	704,882
Total salaries and related benefits	4,229,675	4,193,433	8,423,108
Bad debt	3,265	1,518	4,783
Client and program fees	205,877	72,981	278,858
Contract labor and fees	454,052	130,859	584,911
Dues and subscriptions	3,622	180	3,802
Employee recruitment and retention	9,083	4,040	13,123
Homeownership appraisals, credit reports and inspections	9,850	-	9,850
Insurance	87,645	34,060	121,705
Interest	4,210	-	4,210
Licenses and permits	24,228	7,760	31,988
Maintenance	142,228	6,522	148,750
Marketing and sponsored events	141,728	250	141,978
Occupancy	329,256	126,497	455,753
Office expense	64,274	31,795	96,069
Other expenses	2,600	1,875	4,475
Printing and postage	24,216	2,069	26,285
Professional fees	32,039	92,911	124,950
Supplies	100,972	24,270	125,242
Telephone	71,864	40,876	112,740
Training and staff development	19,949	3,109	23,058
Travel	164,836	163,226	328,062
Utilities	55,512	32	55,544
Indirect cost allocation	1,178,431	442,819	1,621,250
Total expenses before depreciation	7,359,412	5,381,082	12,740,494
Depreciation	76,418	-	76,418
Total functional expenses	<u>\$ 7,435,830</u>	<u>\$ 5,381,082</u>	<u>\$ 12,816,912</u>

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENT OF
FUNCTIONAL EXPENSES**

(with comparable totals for 2017)

Supporting Services				
Management and General	Fundraising	Total Supporting Services	2018 Totals	2017 Totals
\$ 1,308,357	\$ 55,782	\$ 1,364,139	\$ 8,540,726	\$ 8,281,511
96,877	4,091	100,968	642,607	643,202
94,929	7,305	102,234	807,116	748,367
1,500,163	67,178	1,567,341	9,990,449	9,673,080
250	-	250	5,033	1,039
-	-	-	278,858	203,235
4,585	12,618	17,203	602,114	583,542
6,214	63	6,277	10,079	4,699
677	31	708	13,831	16,015
22	-	22	9,872	5,668
11,954	140	12,094	133,799	137,134
19,138	-	19,138	23,348	29,996
23,303	1,000	24,303	56,291	47,347
24,368	2,238	26,606	175,356	159,796
728	26,651	27,379	169,357	137,354
160,281	5,339	165,620	621,373	582,091
76,990	795	77,785	173,854	155,784
6,277	63	6,340	10,815	22,883
4,725	2,607	7,332	33,617	36,671
90,783	1,392	92,175	217,125	204,195
18,427	1,103	19,530	144,772	138,603
37,335	378	37,713	150,453	210,655
6,013	60	6,073	29,131	43,637
23,599	316	23,915	351,977	392,897
-	-	-	55,544	54,503
(1,583,588)	(37,662)	(1,621,250)	-	-
432,244	84,310	516,554	13,257,048	12,840,824
71,832	-	71,832	148,250	163,438
<u>\$ 504,076</u>	<u>\$ 84,310</u>	<u>\$ 588,386</u>	<u>\$ 13,405,298</u>	<u>\$ 13,004,262</u>

See accompanying notes to consolidated financial statements.

For the Year Ended September 30, 2018

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 services, and case management services to ensure client needs are met across various levels. The length of stay is variable and clinically driven, with 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 sobriety 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, 2018

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.
- HPI is certified nationally in *NeighborWorks Full-Cycle Lending*. The *Lending Program* provides mainly secondary mortgage financing and administers down payment assistance programs. HPI also provides brokerage services to local and national lending institutions seeking to lend to first-time buyers. 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 January 2019 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 focusing 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 as well as help to get medical care for babies, pregnant women, and families with young children.

For the Year Ended September 30, 2018

1. Summary of Significant Accounting Policies, continued

Organization and Purpose, continued

Housing Partnership, Inc., continued

- HPI's four *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.
- *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® is 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. They are licensed after school programs serving school-aged children aged 5-12. Children enjoy a wide variety of activities and programming that develop the skills 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 nestled between Lantana and Boynton Beach. This center is managed in coordination with the residents and partners. The center offers 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 and flea markets are intended to keep residents engaged.
- *Healthy Neighbors*, in Northern West Palm Beach and Riviera Beach, *Healthier Lake Worth*, and *Healthier Glades* 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.
- *Dialogue to Change* 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, 2018

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-based 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.
- 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* provides 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.
- *Schools of Hope* provides wraparound services to students identified by school personnel for social, emotional and behavioral issues, in partnership with the Palm Beach County School District.

For the Year Ended September 30, 2018

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, 2018.
- *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 \$489,661 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, 2018

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, 2018, was approximately \$16,600.
- Mortgages receivable:
 - NWA 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% - 5.65% 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, 2018, was approximately \$15,500.
 - LIFT mortgages receivable – reflect forgivable loans made to qualified borrowers as down-payment assistance. The terms of these mortgage loans include interest rates of 0% and are forgivable in periods of 3 - 5 years. These mortgage receivables are part of an agency agreement with NeighborWorks America, for which a corresponding liability has been recorded in the Consolidated Statement of Financial Position. Therefore, an allowance for doubtful account is not considered necessary.

Real Estate Inventory

Real estate inventory is recorded 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. As of September 30, 2018, there was no real estate inventory.

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.

For the Year Ended September 30, 2018

1. Summary of Significant Accounting Policies, continued

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.

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, 2018, agency transactions reflected in the Consolidated Statement of Financial Position consisted of the following:

	<u>LIFT</u>	<u>Other</u>	<u>Total</u>
Cash	\$ -	\$ 152,300	\$ 152,300
Cash, designated	799,100	-	799,100
Mortgages receivable	<u>3,468,297</u>	<u>-</u>	<u>3,468,297</u>
Total Assets	<u>\$ 4,267,397</u>	<u>\$ 152,300</u>	<u>\$ 4,419,697</u>
Agency payable	<u>\$ 4,267,397</u>	<u>\$ 152,300</u>	<u>\$ 4,419,697</u>
Total liabilities	<u>\$ 4,267,397</u>	<u>\$ 152,300</u>	<u>\$ 4,419,697</u>
Net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

For the Year Ended September 30, 2018

1. Summary of Significant Accounting Policies, continued

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.

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, 2018.

For the Year Ended September 30, 2018

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

Advertising Costs

The Organization expenses the cost of advertising as incurred. Advertising expense was approximately \$43,000 for the year ended September 30, 2018, and is reported as part of marketing and sponsored events in the Consolidated Statement of Functional Expenses.

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. As with the new guidance on leasing, management is evaluating the effect that this updated standard will have on the consolidated financial statements.

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, 2017, from which the summarized information was derived. Certain 2017 amounts have been reclassified to conform to 2018 classifications.

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.

For the Year Ended September 30, 2018**1. Summary of Significant Accounting Policies, continued***Income Taxes, continued*

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.

2. Accounts and Grants Receivable

Accounts and grants receivable as of September 30, 2018, consisted of the following:

	<u>HPI</u>	<u>PCC</u>	<u>Total</u>
Government agencies	\$ 545,344	\$ 404,545	\$ 949,889
Insurance (third-party payer)	-	157,894	157,894
Foundations and other receivables	<u>29,169</u>	<u>3,212</u>	<u>32,381</u>
	574,513	565,651	1,140,164
Allowance for doubtful accounts	<u>-</u>	<u>(16,616)</u>	<u>(16,616)</u>
	<u>\$ 574,513</u>	<u>\$ 549,035</u>	<u>\$ 1,123,548</u>

3. Mortgages Receivable

As of September 30, 2018, mortgages receivable consisted of the following:

	<u>HPI</u>	<u>PCC</u>	<u>Total</u>
LIFT (Agency asset)	<u>\$ 3,468,297</u>	<u>\$ -</u>	<u>\$ 3,468,297</u>
NWA	224,303	-	224,303
Allowance for doubtful accounts	<u>(15,512)</u>	<u>-</u>	<u>(15,512)</u>
	<u>208,791</u>	<u>-</u>	<u>208,791</u>
Mortgage receivable, net	3,677,088	-	3,677,088
Current portion	<u>(38,910)</u>	<u>-</u>	<u>(38,910)</u>
Non-current portion	<u>\$ 3,638,178</u>	<u>\$ -</u>	<u>\$ 3,638,178</u>

For the Year Ended September 30, 2018

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, 2018, the unrestricted fund owed the permanently restricted fund approximately \$490,000 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.

5. Property and Equipment

Property and equipment as of September 30, 2018, consisted of the following:

	<u>HPI</u>	<u>PCC</u>	<u>Total</u>
Buildings and improvements	\$ 1,087,226	\$ 634,220	\$ 1,721,446
Leasehold improvements	290,981	8,768	299,749
Furniture and equipment	482,564	317,591	800,155
Vehicles	<u>168,569</u>	<u>-</u>	<u>168,569</u>
	2,029,340	960,579	2,989,919
Accumulated depreciation	(1,042,172)	(372,938)	(1,415,110)
Construction in progress	<u>184,980</u>	<u>-</u>	<u>184,980</u>
	<u>\$ 1,172,148</u>	<u>\$ 587,641</u>	<u>\$ 1,759,789</u>

As of September 30, 2018, construction in progress consisted of the accumulated cost associated with the Village for Change and Celtic Apartments renovation projects, and website redesign.

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.

\$ 48,271

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.

198,450

Less current portion

246,721
94,500
\$ 152,221

For the Year Ended September 30, 2018**6. Mortgages Payable, continued**

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>
2019	\$ 14,000	\$ 80,500	\$ 94,500
2020	15,100	87,200	102,300
2021	16,300	30,750	47,050
Thereafter	<u>2,871</u>	<u>-</u>	<u>2,871</u>
	<u>\$ 48,271</u>	<u>\$ 198,450</u>	<u>\$ 246,721</u>

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>
2019	\$ 500,000	\$ 194,000	\$ 694,000
2020	290,000	95,400	385,400
2021	109,500	-	109,500
2022	<u>60,000</u>	<u>-</u>	<u>60,000</u>
	<u>\$ 959,500</u>	<u>\$ 289,400</u>	<u>\$ 1,248,900</u>

Total rental expense for the year ended September 30, 2018 was approximately \$619,800 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 \$143,400 to the plan during the year ended September 30, 2018.

For the Year Ended September 30, 2018

9. Related Party Transactions

During 2018, 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, 2018, St. Charles paid HPI approximately \$27,500 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, 2018.

10. 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 obligations 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 50% of its funding from the Children's Services Council of Palm Beach County and 15% from the Southeast Florida Behavioral Health Network (Department of Children and Families).

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 40% of total revenues. PCC also receives funding from other public sources, including 24% from the Children's Services Council of Palm Beach County and 20% from the Southeast Florida Behavioral Health Network (Department of Children and Families).

For the Year Ended September 30, 2018

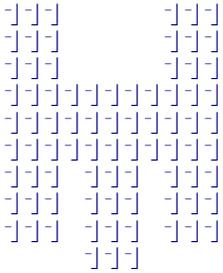
11. Concentration of Credit Risk for Cash Held in Banks

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, 2018, HPI had approximately \$2,894,000 in excess of FDIC insurance limits. PCC had no funds in excess of the federally insured limit.

12. Subsequent Event

Date of Management Evaluation

Management has evaluated subsequent events through March 12, 2019, 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, 2018, 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 12, 2019.

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

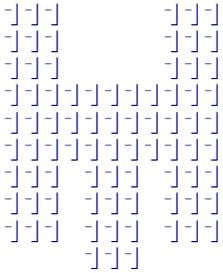
As part of obtaining reasonable assurance about whether Community Partners of South Florida's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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 12, 2019



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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, 2018. 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, 2018.

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 12, 2019

For the Year Ended September 30, 2018

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
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, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings reported for the year ended September 30, 2018, 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, 2018, 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, 2017, 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, 2018 with respect to federal awards.

MANAGEMENT LETTER:

There are no comments for the fiscal year ended September 30, 2018.

SUPPLEMENTARY INFORMATION

COMMUNITY PARTNERS OF SOUTH FLORIDA

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

For the Year Ended September 30, 2018

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract Grant Number	Expenditures
<u>HOUSING PARTNERSHIP, INC.</u>			
Direct Programs:			
U.S. Department of Health and Human Services:			
Homeownership	93.602	90E1075601	\$ 5,500
Homeownership	93.602	90E1080601	<u>6,000</u>
			<u>11,500</u>
Indirect Programs Passed through:			
Congressional appropriation:			
NeighborWorks America:			
Lending Operations	21.000		25,000
Housing Counseling	21.000		172,300
San Castle	21.000		10,478
Special Projects	21.000		<u>141,792</u>
			<u>349,570</u>
U.S. Department of Housing and Urban Development:			
NeighborWorks America:			
Housing Counseling	14.169		<u>10,892</u>
U.S. Department of Health and Human Services:			
State of Florida, Department of Children and Families,			
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>162,427</u>
Community Support Services:			
Adult Mental Health	93.958	PNA15-1618	9,100
Adult Substance Abuse	93.959	PNA15-1618	410,385
Opioid Crisis	93.788	PNA15-1618	<u>67,290</u>
			<u>486,775</u>
Total expenditures of federal awards			<u><u>\$ 1,021,164</u></u>

See independent auditor's report.

COMMUNITY PARTNERS OF SOUTH FLORIDA

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

For the Year Ended September 30, 2018

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	PNF20-1619	\$ 232,447
Children's and Adult Mental Health	93.958	PNF20-1619	107,587
Children's and Adult Mental Health	93.104	PNF20-1619	<u>55,766</u>
			395,800
Congressional appropriation:			
NeighborWorks America:	21.000		<u>15,000</u>
Total expenditures of federal awards			<u>\$ 410,800</u>

See independent auditor's report.

For the Year Ended September 30, 2018

Notes:

1. The NeighborWorks America (NWA) awarded Housing Partnership, Inc. \$364,570 in unrestricted funds during the current year. In addition, during the year ended September 30, 2018, NWA released the restriction on \$250,034; the program-to-date restricted capital award equals \$583,412. 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, 2018

Agency Name	Contract Grant Number	Expenditures
<u>HOUSING PARTNERSHIP, INC.</u>		
Children's Services Council of Palm Beach County:		
Bridges	638	\$ 3,244,833
Teen Outreach Program	645	424,453
Safe Kids	659	234,918
Community Initiatives		<u>5,700</u>
		<u>\$ 3,909,904</u>
Palm Beach County Board of County Commissioners:		
Financially Assisted Agencies	R2017-1622	<u>\$ 139,701</u>
Palm Health Foundation:		
Healthier Neighbors	N/A	\$ 161,310
Healthier Lake Worth	N/A	137,173
Healthier Glades	N/A	<u>77,507</u>
		<u>\$ 375,990</u>
United Way of Palm Beach County:		
Support for Homeownership	N/A	\$ 6,000
Village for Change	N/A	12,500
Prosperity Centers	N/A	137,499
Mentoring Programs	N/A	<u>190,163</u>
		<u>\$ 346,162</u>

See independent auditor's report.

COMMUNITY PARTNERS OF SOUTH FLORIDA

SCHEDULE OF OTHER
FINANCIAL ASSISTANCE

For the Year Ended September 30, 2018

Agency Name	Contract Grant Number	Expenditures
<u>PARENT-CHILD CENTER, INC.</u>		
Children's Services Council of Palm Beach County:		
Positive Parenting Program	611	\$ 1,069,313
Positive Parenting Program-Teen Triple P	675	<u>450,961</u>
		<u>\$ 1,520,274</u>
Town of Palm Beach United Way:		
Outpatient Services	N/A	<u>\$ 15,000</u>
United Way of Palm Beach County:		
Case Management	N/A	<u>\$ 20,000</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, 2018

	<i>Housing Partnership, Inc.</i>	<i>Parent-Child Center, Inc.</i>
	<u> </u>	<u> </u>
1. Total Expenditures	\$ 7,897,618	\$ 6,141,341
Less:		
2. Other State and Federal Funds:		
Florida Department of Children and Families	(1,169,413)	(1,287,195)
NeighborWorks America	(349,570)	(15,000)
U.S. Department of Health and Human Services	(11,500)	-
U.S. Department of Housing and Urban Development	(10,893)	-
3. Non-Match SAMH Funds	-	-
4. Unallowable costs per 65E-14, FAC	-	-
	<u>(1,541,376)</u>	<u>(1,302,195)</u>
5. Total allowable expenditures	6,356,242	4,839,146
	<u>x 75%</u>	<u>x 75%</u>
6. Total amount of state earnings	4,767,182	3,629,360
7. Amount of State Funds Requiring Match	<u>359,904</u>	<u>352,209</u>
8. Excess matching funds	<u>\$ 4,407,278</u>	<u>\$ 3,277,151</u>

See independent auditor's report.

COMMUNITY PARTNERS OF SOUTH FLORIDA

For the Year Ended September 30, 2018

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES

AGENCY: Housing Partnership, Inc.

BUDGET PERIOD: FROM 10/01/2017 TO 09/30/2018

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
IA. STATE SAMH FUNDING							
(1) State Department of Children and Families	\$ 84,753	\$ 84,753	\$ 215,486	\$ 40,253	\$ 40,091	\$ 382,017	\$ 21,619
(2) TANF	37,244	37,244	69,742	16,842	14,112	-	-
(3)	-	-	-	-	-	-	-
(4)	-	-	-	-	-	-	-
TOTAL STATE SAMH FUNDING	121,997	121,997	285,228	57,095	54,203	382,017	21,619
IB. OTHER GOVT. FUNDING							
(1) Other State Agency Funding	-	-	-	-	-	-	-
(2) Medicaid	-	-	-	-	-	-	-
(3) Local Government	139,701	139,701	-	-	-	-	-
(4) Federal Grants and Contracts	9,792	9,792	10,000	-	-	-	-
(5) In-kind from local govt. only	-	-	-	-	-	-	-
TOTAL OTHER GOVT. FUNDING	149,493	149,493	10,000	-	-	-	-
IC. ALL OTHER REVENUES							
(1) 1st & 2nd Party Payments	-	-	-	-	-	-	-
(2) 3rd Party Payments (except Medicare)	-	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-
(4) Contributions and Donations	4,750	4,750	126,814	-	-	-	-
(5) Other	142	142	13,890	-	-	-	-
(6) In-kind	-	-	-	-	-	-	-
TOTAL ALL OTHER REVENUES	4,892	4,892	140,704	-	-	-	-
TOTAL FUNDING	\$ 276,382	\$ 276,382	\$ 435,932	\$ 57,095	\$ 54,203	\$ 382,017	\$ 21,619

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	Transition Vouchers	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
\$ 54,066	\$ 89,055	\$ 6,594	\$ -	\$ 17,863	\$ 867,044	\$ 951,797	\$ -	\$ 951,797	\$ -	\$ 951,797
-	51,693	-	27,984	-	180,373	217,617	-	217,617	-	217,617
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
54,066	140,748	6,594	27,984	17,863	1,047,417	1,169,414	-	1,169,414	-	1,169,414
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	139,701	-	139,701	4,035,753	4,175,454
-	-	-	-	-	10,000	19,792	-	19,792	352,169	371,961
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	10,000	159,493	-	159,493	4,387,922	4,547,415
-	-	-	-	-	-	-	-	-	588,034	588,034
-	6,923	-	-	-	6,923	6,923	-	6,923	-	6,923
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	126,814	131,564	-	131,564	1,304,880	1,436,444
-	-	-	-	-	13,890	14,032	-	14,032	584,508	598,540
-	-	-	-	-	-	-	-	-	-	-
-	6,923	-	-	-	147,627	152,519	-	152,519	2,477,422	2,629,941
\$ -	\$ 147,671	\$ 6,594	\$ 27,984	\$ 17,863	\$ 1,205,044	\$ 1,481,426	\$ -	\$ 1,481,426	\$ 6,865,344	\$ 8,346,770

See independent auditor's report.

COMMUNITY PARTNERS OF SOUTH FLORIDA

For the Year Ended September 30, 2018

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
 AGENCY: Housing Partnership, Inc.
 BUDGET PERIOD: FROM 10/01/2017 TO 09/30/2018
 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	Medical Services
I. A. PERSONNEL EXPENSES								
(1) Salaries	\$ 169,345	\$ 169,345	\$ 129,604	\$ 25,943	\$ 24,629	\$ 173,583	\$ -	\$ 24,567
(2) Fringe Benefits	33,164	33,164	19,740	3,951	3,751	26,439	-	3,742
TOTAL PERSONNEL EXPENSES	202,509	202,509	149,344	29,894	28,380	200,022	-	28,309
I. B. OTHER EXPENSES								
(1) Building Occupancy	9,880	9,880	51,109	10,231	9,712	68,452	-	9,688
(2) Professional Services	-	-	28	6	5	38	-	5
(3) Travel	2,595	2,595	3,270	655	621	4,380	-	620
(4) Equipment	2,756	2,756	1,242	249	236	1,663	-	235
(5) Food Services	847	847	13,621	2,727	2,588	18,243	-	2,582
(6) Medical and Pharmacy	-	-	-	-	-	-	-	-
(7) Subcontracted Services	983	983	2,084	417	396	2,791	-	395
(8) Insurance	490	490	4,187	838	796	5,608	-	794
(9) Interest Paid	-	-	-	-	-	-	-	-
(10) Operating Supplies & Expenses	2,586	2,586	7,047	1,411	1,339	9,439	-	1,336
(11) Other	15,103	15,103	6,561	-	-	-	21,619	-
(12) Donated Items	-	-	-	-	-	-	-	-
TOTAL OTHER EXPENSES	35,240	35,240	89,149	16,534	15,693	110,614	21,619	15,655
TOTAL PERSONNEL & OTHER EXP.	237,749	237,749	238,493	46,428	44,073	310,636	21,619	43,964
I. C. DISTRIBUTED INDIRECT COSTS								
(a) Other Support Costs (Optional)	-	-	6,363	1,274	1,209	8,522	-	1,206
(b) Administration	47,129	47,129	46,775	9,363	8,889	62,647	-	8,866
TOT. DISTRIBUTED INDIRECT COSTS	47,129	47,129	53,138	10,637	10,098	71,169	-	10,072
TOTAL ACTUAL OPER. EXPENSES	284,878	284,878	291,631	57,065	54,171	381,805	21,619	-
I. D. UNALLOWABLE COSTS	-	-	-	-	-	-	-	-
TOT. ALLOWABLE OPERATING EXP.	\$ 284,878	\$ 284,878	\$ 291,631	\$ 57,065	\$ 54,171	\$ 381,805	\$ 21,619	\$ -
I. E. CAPITAL EXPENDITURES	\$ -	\$ -	\$ 199,145	\$ -	\$ -	\$ -	\$ -	\$ -

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											
Outpatient - Individual	HIV Special Funding	Supportive Housing/ Living	Transition Vouchers	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	
\$ 63,954	\$ 2,996	\$ 12,716	\$ -	\$ 457,992	\$ 627,337	\$ -	\$ 627,337	\$ 3,012,391	\$ 979,282	\$ 4,619,010	
9,741	456	1,937	-	69,757	102,921	-	102,921	528,173	159,148	790,242	
73,695	3,452	14,653	-	527,749	730,258	-	730,258	3,540,564	1,138,430	5,409,252	
25,220	1,182	5,014	-	180,608	190,488	-	190,488	441,641	142,927	775,056	
14	1	3	-	100	100	-	100	31,939	52,975	85,014	
1,614	76	321	-	11,557	14,152	-	14,152	149,071	11,071	174,294	
613	29	122	-	4,389	7,145	-	7,145	53,764	18,609	79,518	
6,721	315	1,336	-	48,133	48,980	-	48,980	54,061	-	103,041	
-	-	-	-	-	-	-	-	-	-	-	
1,028	48	204	-	7,363	8,346	-	8,346	404,554	25,375	438,275	
2,066	97	411	-	14,797	15,287	-	15,287	72,360	5,595	93,242	
-	-	-	-	-	-	-	-	4,210	-	4,210	
3,478	163	691	-	24,904	27,490	-	27,490	282,745	81,665	391,900	
-	-	-	17,863	46,043	61,146	-	61,146	156,489	416	218,051	
-	-	-	-	-	-	-	-	-	-	-	
40,754	1,911	8,102	17,863	337,894	373,134	-	373,134	1,650,834	338,633	2,362,601	
114,449	5,363	22,755	17,863	865,643	1,103,392	-	1,103,392	5,191,398	1,477,063	7,771,853	
3,140	147	624	-	22,485	22,485	-	22,485	55,903	47,377	125,765	
23,081	1,081	4,589	-	165,291	212,420	-	212,420	966,010	(1,178,430)	-	
26,221	1,228	5,213	-	187,776	234,905	-	234,905	1,021,913	(1,131,053)	125,765	
140,670	6,591	27,968	17,863	1,053,419	1,338,297	-	1,338,297	6,213,311	346,010	7,897,618	
-	-	-	-	-	-	-	-	-	-	-	
\$ 140,670	\$ 6,591	\$ 27,968	\$ 17,863	\$ 1,053,419	\$ 1,338,297	\$ -	\$ 1,338,297	\$ 6,213,311	\$ 346,010	\$ 7,897,618	
\$ -	\$ -	\$ -	\$ -	\$ 199,145	\$ 199,145	\$ -	\$ 199,145	\$ -	\$ -	\$ 199,145	

See independent auditor's report.

COMMUNITY PARTNERS OF SOUTH FLORIDA

For the Year Ended September 30, 2018

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES

AGENCY: Parent-Child Center, Inc.

BUDGET PERIOD: FROM 10/01/2017 TO 09/30/2018

CONTRACT #: PNF20-1619

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS									
	STATE SAMH-FUNDED COST CENTERS									
	Children's Mental Health							CMH Special Funding		
	Assessment	Case Management	Incidental	Outpatient	Outreach	Crisis Support	Total for Children's Mental Health	Assessment	Outreach	Total for Children's Mental Health Special Funding
IA. STATE SAMH FUNDING										
(1) State Department of Children and Families	\$ 14,862	\$ 109,627	\$ 19,540	\$ 395,603	\$ 58,310	\$ 70,000	\$ 667,942	\$ 15,945	\$ 41,529	\$ 57,474
(2) TANF	-	-	-	-	-	-	-	-	-	-
(3)	-	-	-	-	-	-	-	-	-	-
(4)	-	-	-	-	-	-	-	-	-	-
TOTAL STATE SAMH FUNDING	14,862	109,627	19,540	395,603	58,310	70,000	667,942	15,945	41,529	57,474
IB. OTHER GOVT. FUNDING										
(1) Other State Agency Funding	-	-	-	-	-	-	-	-	-	-
(2) Medicaid	31,216	230,253	-	830,891	122,469	147,022	1,361,851	33,489	-	33,489
(3) Local Government	7,650	56,425	-	203,614	30,012	36,029	333,730	8,207	-	8,207
(4) Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-
(5) In-kind from local govt. only	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER GOVT. FUNDING	38,866	286,678	-	1,034,505	152,481	183,051	1,695,581	41,696	-	41,696
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Party Payments	-	-	-	-	-	-	-	-	-	-
(2) 3rd Party Payments (except Medicare)	-	-	-	-	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-	-	-	-
(4) Contributions and Donations	2,338	17,245	-	62,232	9,173	11,012	102,000	2,507	-	2,507
(5) Other	79	585	-	2,111	311	374	3,460	87	-	87
(6) In-kind	-	-	-	-	-	-	-	-	-	-
TOTAL ALL OTHER REVENUES	2,417	17,830	-	64,343	9,484	11,386	105,460	2,594	-	2,594
TOTAL FUNDING	\$ 56,145	\$ 414,135	\$ 19,540	\$1,494,451	\$ 220,275	\$ 264,437	\$2,468,983	\$ 60,235	\$ 41,529	\$ 101,764

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 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							
\$ 7,932	\$ 137,556	\$ 4,719	\$ 157,397	\$ 18,980	\$ 326,584	\$ 1,052,000	\$ -	\$ 1,052,000	\$ -	\$ 1,052,000	
12,014	70,049	-	153,132	-	235,195	235,195	-	235,195	-	235,195	
-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	
19,946	207,605	4,719	310,529	18,980	561,779	1,287,195	-	1,287,195	-	1,287,195	
-	-	-	-	-	-	-	-	-	-	-	
41,891	436,036	-	652,209	39,864	1,170,000	2,565,340	-	2,565,340	-	2,565,340	
10,265	106,853	-	159,827	9,769	286,714	628,651	-	628,651	1,517,558	2,146,209	
-	15,000	-	-	-	15,000	15,000	-	15,000	-	15,000	
-	-	-	-	-	-	-	-	-	-	-	
52,156	557,889	-	812,036	49,633	1,471,714	3,208,991	-	3,208,991	1,517,558	4,726,549	
-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	
3,138	32,658	-	48,849	2,986	87,631	192,138	-	192,138	53,113	245,251	
106	1,108	-	1,657	101	2,972	6,519	-	6,519	127,791	134,310	
-	-	-	-	-	-	-	-	-	-	-	
3,244	33,766	-	50,506	3,087	90,603	198,657	-	198,657	180,904	379,561	
\$ 75,346	\$ 799,260	\$ 4,719	\$ 1,173,071	\$ 71,700	\$ 2,124,096	\$ 4,694,843	\$ -	\$ 4,694,843	\$ 1,698,462	\$ 6,393,305	

See independent auditor's report.

COMMUNITY PARTNERS OF SOUTH FLORIDA

For the Year Ended September 30, 2018

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES

AGENCY: Parent-Child Center, Inc.

BUDGET PERIOD: FROM 10/01/2017 TO 09/30/2018

CONTRACT #: PNF20-1619

PART II: ACTUAL EXPENSES

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS									
	STATE SAMH-FUNDED COST CENTERS									
	Childrens Mental Health							CMH Special Funding		
	Assessment	Case Management	Incidental	Outpatient	Outreach	Crisis Support	Total for Children's Mental Health	Assessment	Outreach	Total for Children's Mental Health Special Funding
IIA. PERSONNEL EXPENSES										
(1) Salaries	\$ 32,997	\$ 243,388	\$ -	\$ 878,292	\$ 129,456	\$ 155,410	\$ 1,439,543	\$ 35,399	\$ -	\$ 35,399
(2) Fringe Benefits	5,421	39,986	-	144,292	21,268	25,532	236,499	5,816	-	5,816
TOTAL PERSONNEL EXPENSES	38,418	283,374	-	1,022,584	150,724	180,942	1,676,042	41,215	-	41,215
IIB. OTHER EXPENSES										
(1) Building Occupancy	1,150	8,485	-	30,621	4,513	5,418	50,187	1,234	-	1,234
(2) Professional Services	110	809	-	2,917	430	516	4,782	118	-	118
(3) Travel	1,373	10,126	-	36,537	5,386	6,465	59,887	1,473	-	1,473
(4) Equipment	352	2,594	-	9,359	1,380	1,656	15,341	377	-	377
(5) Food Services	7	55	-	198	29	35	324	8	-	8
(6) Medical and Pharmacy	-	-	-	-	-	-	-	-	-	-
(7) Subcontracted Services	878	6,478	-	23,377	3,445	4,136	38,314	942	-	942
(8) Insurance	323	2,383	-	8,598	1,267	1,522	14,093	347	-	347
(9) Interest Paid	-	-	-	-	-	-	-	-	-	-
(10) Operating Supplies & Expenses	656	4,842	-	17,474	2,575	3,092	28,639	704	-	704
(11) Other	-	-	19,540	1,991	-	-	21,531	-	41,529	41,529
(12) Donated Items	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER EXPENSES	4,849	35,772	19,540	131,072	19,025	22,840	233,098	5,203	41,529	46,732
TOTAL PERSONNEL & OTHER EXP.	43,267	319,146	19,540	1,153,656	169,749	203,782	1,909,140	46,418	41,529	87,947
IIC. DISTRIBUTED INDIRECT COSTS										
(a) Other Support Costs (Optional)	-	-	-	-	-	-	-	-	-	-
(b) Administration	9,191	67,797	-	244,653	36,061	43,290	400,992	9,861	-	9,861
TOT. DISTRIBUTED INDIRECT COSTS	9,191	67,797	-	244,653	36,061	43,290	400,992	9,861	-	9,861
TOTAL ACTUAL OPER. EXPENSES	52,458	386,943	19,540	1,398,309	205,810	247,072	2,310,132	56,279	41,529	97,808
IID. UNALLOWABLE COSTS										
	-	-	-	-	-	-	-	-	-	-
TOT. ALLOWABLE OPERATING EXP.	\$ 52,458	\$ 386,943	\$ 19,540	\$ 1,398,309	\$ 205,810	\$ 247,072	\$ 2,310,132	\$ 56,279	\$ 41,529	\$ 97,808
IIE. CAPITAL EXPENDITURES										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

STATE-DESIGNATED SAMH COST CENTERS											
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
Adult Mental Health					Total for Adult Mental Health	Total for State SAMH-Funded Cost Centers					
Assessment	Case Management	Incidental	Outpatient	Outreach							
\$ 44,282	\$ 460,911	\$ -	\$ 689,416	\$ 42,138	\$ 1,236,747	\$ 2,711,689	\$ -	\$ 2,711,689	\$ 925,010	385,231	\$ 4,021,930
7,275	75,723	-	113,263	6,923	203,184	445,499	-	445,499	169,923	44,059	659,481
51,557	536,634	-	802,679	49,061	1,439,931	3,157,188	-	3,157,188	1,094,933	429,290	4,681,411
1,544	16,069	-	24,036	1,469	43,118	94,539	-	94,539	38,513	40,173	173,225
148	1,532	-	2,291	140	4,111	9,011	-	9,011	83,900	39,200	132,111
1,843	19,175	-	28,682	1,753	51,453	112,813	-	112,813	50,182	212	163,207
472	4,911	-	7,347	449	13,179	28,897	-	28,897	2,651	14,276	45,824
10	104	-	156	10	280	612	-	612	4,589	-	5,201
-	-	-	-	-	-	-	-	-	-	-	-
1,179	12,267	-	18,348	1,121	32,915	72,171	-	72,171	-	36,466	108,637
433	4,513	-	6,750	413	12,109	26,549	-	26,549	7,511	6,497	40,557
-	-	-	-	-	-	-	-	-	-	21,347	21,347
881	9,169	-	13,715	838	24,603	53,946	-	53,946	30,603	564,777	649,326
-	-	4,719	-	-	4,719	67,779	-	67,779	1,876	28,355	98,010
-	-	-	-	-	-	-	-	-	-	-	-
6,510	67,740	4,719	101,325	6,193	186,487	466,317	-	466,317	219,825	751,303	1,437,445
58,067	604,374	4,719	904,004	55,254	1,626,418	3,623,505	-	3,623,505	1,314,758	1,180,593	6,118,856
-	-	-	-	-	-	-	-	-	-	22,485	22,485
12,335	128,389	-	192,041	11,738	344,503	755,356	-	755,356	205,104	(960,460)	-
12,335	128,389	-	192,041	11,738	344,503	755,356	-	755,356	205,104	(937,975)	22,485
70,402	732,763	4,719	1,096,045	66,992	1,970,921	4,378,861	-	4,378,861	1,519,862	242,618	6,141,341
-	-	-	-	-	-	-	-	-	-	-	-
\$ 70,402	\$ 732,763	\$ 4,719	\$ 1,096,045	\$ 66,992	\$ 1,970,921	\$ 4,378,861	\$ -	\$ 4,378,861	\$ 1,519,862	\$ 242,618	\$ 6,141,341
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,220	\$ 2,995	\$ 4,215

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

BUDGET PERIOD: FROM 10/01/2017 TO 09/30/2018

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	\$ 15,890	\$ -	\$ -	\$ 15,890
Rent Parent-Child Center	113,812	-	-	113,812
Total associated expenses	\$ 129,702	\$ -	\$ -	\$ 129,702
Related party transaction adjustment	\$ -	\$ -	\$ -	\$ -

AGENCY: <u>Parent-Child Center Inc.</u> CONTRACT: <u>PNF20-1619</u>				
Revenues from grantee:				
Personnel services Housing Partnership	\$ -	\$ 15,890	\$ -	\$ 15,890
Rent Housing Partnership	-	-	113,812	113,812
Total revenue from grantee	\$ -	\$ 15,890	\$ 113,812	\$ 129,702
Expenses associated with grantee transactions:				
Other	\$ -	\$ -	\$ -	\$ -
Total associated expenses	\$ -	\$ -	\$ -	\$ -
Related party transaction adjustment	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

COMMUNITY PARTNERS OF SOUTH FLORIDA

CONSOLIDATING STATEMENT OF
FINANCIAL POSITION*As of September 30, 2018*

	Housing Partnership, Inc.	Parent-Child Center, Inc.	Eliminating Entry	Totals
ASSETS				
Cash and cash equivalents	\$ 3,556,699	\$ 40,633	\$ -	\$ 3,597,332
Accounts and grants receivable	574,513	549,035	-	1,123,548
Mortgages receivable, current	38,910	-	-	38,910
Prepaid expenses	30,986	5,576	-	36,562
Total current assets	4,201,108	595,244	-	4,796,352
Cash and cash equivalents, designated	799,100	-	-	799,100
Mortgages receivable, net	3,683,540	-	(45,362)	3,638,178
Other assets	21,323	-	-	21,323
Related party receivables	1,020,403	-	(988,100)	32,303
Property and equipment, net	1,172,148	587,641	-	1,759,789
Community land trust	870,000	-	-	870,000
Total assets	<u>\$ 11,767,622</u>	<u>\$ 1,182,885</u>	<u>\$ (1,033,462)</u>	<u>\$ 11,917,045</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 143,606	\$ 20,415	\$ -	\$ 164,021
Accrued salaries and related payables	100,089	90,101	-	190,190
Refundable advances	741,904	43,831	-	785,735
Deposits	3,325	-	-	3,325
Mortgage payable, current	14,000	74,400	-	88,400
Total current liabilities	1,002,924	228,747	-	1,231,671
Agency payable	4,419,697	-	-	4,419,697
Accrued vacation payable	109,695	68,099	-	177,794
Related party payables	-	988,100	(988,100)	-
Mortgage payable, non-current	34,271	169,412	(45,362)	158,321
Total liabilities	<u>5,566,587</u>	<u>1,454,358</u>	<u>(1,033,462)</u>	<u>5,987,483</u>
Net assets:				
Unrestricted:				
Equity in fixed assets	1,123,877	343,829	45,362	1,513,068
Equity in community land trust	870,000	-	-	870,000
Undesignated	3,623,746	(615,302)	(45,362)	2,963,082
Total unrestricted	5,617,623	(271,473)	-	5,346,150
Restricted	583,412	-	-	583,412
Total net assets	<u>6,201,035</u>	<u>(271,473)</u>	<u>-</u>	<u>5,929,562</u>
Total liabilities and net assets	<u>\$ 11,767,622</u>	<u>\$ 1,182,885</u>	<u>\$ (1,033,462)</u>	<u>\$ 11,917,045</u>

See independent auditor's report.

COMMUNITY PARTNERS OF SOUTH FLORIDA

CONSOLIDATING STATEMENT OF
ACTIVITIES*For the Year Ended September 30, 2018*

	Housing Partnership, Inc.	Parent-Child Center, Inc.	Eliminating Entry	Totals
Support and Revenues:				
Governmental grants and contracts	\$ 5,716,829	\$ 3,451,120	\$ -	\$ 9,167,949
Contributions	1,443,367	2,807,875	-	4,251,242
Indirect income from related parties	545,115	-	(517,641)	27,474
Consulting fees and other revenues	641,459	134,310	(116,020)	659,749
Total support and revenues	<u>8,346,770</u>	<u>6,393,305</u>	<u>(633,661)</u>	<u>14,106,414</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses:				
Program services:				
Community revitalization	7,549,641	-	(113,811)	7,435,830
Health and human services	-	5,898,723	(517,641)	5,381,082
Total program services	<u>7,549,641</u>	<u>5,898,723</u>	<u>(631,452)</u>	<u>12,816,912</u>
Supporting services:				
Management and general	327,826	178,459	(2,209)	504,076
Development and fundraising	20,151	64,159	-	84,310
Total supporting services	<u>347,977</u>	<u>242,618</u>	<u>(2,209)</u>	<u>588,386</u>
Total expenses	<u>7,897,618</u>	<u>6,141,341</u>	<u>(633,661)</u>	<u>13,405,298</u>
Gain (loss) on sale of assets	<u>(29,905)</u>	<u>-</u>	<u>-</u>	<u>(29,905)</u>
Change in net assets	419,247	251,964	-	671,211
Net assets, beginning of year	<u>5,781,788</u>	<u>(523,437)</u>	<u>-</u>	<u>5,258,351</u>
Net assets, end of year	<u>\$ 6,201,035</u>	<u>\$ (271,473)</u>	<u>\$ -</u>	<u>\$ 5,929,562</u>

See independent auditor's report.

COMMUNITY PARTNERS OF SOUTH FLORIDA

SCHEDULE OF
PROGRAM SERVICES

For the Year Ended September 30, 2018

	Housing Partnership, Inc			Parent-Child Center, Inc.	Total Program Services
	Housing Services	Community Services	Community Revitalization Services	Child and Family Mental Health	
Salaries	\$ 667,458	\$ 2,931,119	\$ 3,598,577	\$ 3,578,010	\$ 7,176,587
Payroll taxes	50,614	219,431	270,045	271,594	541,639
Employee benefits	71,311	289,742	361,053	343,829	704,882
Total salaries and related benefits	789,383	3,440,292	4,229,675	4,193,433	8,423,108
Bad debt	3,047	218	3,265	1,518	4,783
Client and program fees	36,919	168,958	205,877	72,981	278,858
Contract labor and fees	13,549	440,503	454,052	130,859	584,911
Dues and subscriptions	1,139	2,483	3,622	180	3,802
Employee recruitment and retention	740	8,343	9,083	4,040	13,123
Homeownership appraisals, credit reports and inspections	9,565	285	9,850	-	9,850
Insurance	21,180	66,465	87,645	34,060	121,705
Interest	4,210	-	4,210	-	4,210
Licenses and permits	15,179	9,049	24,228	7,760	31,988
Maintenance	36,546	105,682	142,228	6,522	148,750
Marketing and sponsored events	13,535	128,193	141,728	250	141,978
Occupancy	39,162	290,094	329,256	126,497	455,753
Office expense	13,194	51,080	64,274	31,795	96,069
Other expenses	-	2,600	2,600	1,875	4,475
Printing and postage	1,519	22,697	24,216	2,069	26,285
Professional fees	17,521	14,518	32,039	92,911	124,950
Supplies	6,552	94,420	100,972	24,270	125,242
Telephone	6,985	64,879	71,864	40,876	112,740
Training and staff development	3,034	16,915	19,949	3,109	23,058
Travel	31,101	133,735	164,836	163,226	328,062
Utilities	6,932	48,580	55,512	32	55,544
Indirect cost allocation	227,564	950,867	1,178,431	442,819	1,621,250
Total expenses before depreciation	1,298,556	6,060,856	7,359,412	5,381,082	12,740,494
Depreciation	51,430	24,988	76,418	-	76,418
Total expenses	\$ 1,349,986	\$ 6,085,844	\$ 7,435,830	\$ 5,381,082	\$ 12,816,912

See independent auditor's report.