



**CROSSWINDS**  
YOUTH SERVICES, INC.

June 30,

**2016 & 2015**

---

Financial Statements

**CROSSWINDS YOUTH SERVICES, INC.  
COCOA, FLORIDA**

**OFFICERS AND DIRECTORS**

Greg Crews, *Chair*  
Summit Shah, *Vice Chair*  
Charles Ian Nash, *Treasurer*  
Sheriff Wayne Ivey, *Secretary*  
Robert Lehton, Psy.D., *Past Chair*  
Nina Gadodia, *Director*  
Mitchell Goldman, *Director*  
Susan Hammerling, *Director*  
James Handley, *Director*  
Rear Admiral Wayne Justice, USCG (Ret.), *Director*  
Alison Malone, *Director*  
Jack Parker, *Director*  
Dara Cunnion Pauley, *Director*  
Andrew Walters, *Director*  
Thomas Weinberg, *Director*  
Stockton Whitten, *Director*  
Shannon L. Wilson, *Director*

**PRESIDENT AND CEO**

Jan Lokay

**CROSSWINDS YOUTH SERVICES, INC.  
COCOA, FLORIDA**

**TABLE OF CONTENTS**

	<b><u>Page No.</u></b>
<b>INDEPENDENT AUDITOR’S REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 16
<b>SUPPLEMENTARY INFORMATION</b>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18 - 19
Independent Auditor’s Report on Compliance for Each Major Federal Program and State Financial Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Florida Auditor General	20 - 21
Schedule of Findings and Questioned Costs – Federal Awards Programs and State Financial Projects	22 - 24
Schedule of Expenditures of Federal Awards and State Financial Projects	25 - 26
Notes to Schedule of Expenditures of Federal Awards And State Financial Projects	27



---

WHITTAKER COOPER<sup>SM</sup>  
FINANCIAL GROUP

*Certified Public Accountants and Consultants  
A Professional Association*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Crosswinds Youth Services, Inc.  
Cocoa, Florida

We and our staff have audited the accompanying financial statements of Crosswinds Youth Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crosswinds Youth Services, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2016, on our consideration of Crosswinds Youth Services, Inc.'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 Crosswinds Youth and Services Inc.'s internal control over financial reporting and compliance.

### **Report on Summarized Comparative Information**

We have previously audited the Crosswinds Youth Services, Inc.'s June 30, 2015 financial statements and expressed an unmodified audit opinion on those financial statements in our report dated December 8, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Whittaker Cooper Financial Group*

Whittaker Cooper Financial Group  
Melbourne, Florida  
November 18, 2016

**CROSSWINDS YOUTH SERVICES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2016**

**WITH SUMMARIZED FINANCIAL INFORMATION FOR JUNE 30, 2015**

	2016			2015	
	Unrestricted	Temporarily	Permanently	Total	
		Restricted	Restricted		
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 290,488	\$ -	\$ 77,578	\$ 368,066	\$ 161,540
Investments	131,875	-	-	131,875	124,593
Grants/contracts receivable	380,472	-	-	380,472	267,114
Gift cards	791	-	-	791	2,182
Prepaid expenses	17,393	-	-	17,393	11,124
	821,019	-	77,578	898,597	566,553
<b>PROPERTY AND EQUIPMENT, net</b>					
	3,933,977	134,781	-	4,068,758	4,083,307
<b>OTHER ASSETS, net</b>					
	12,639	-	-	12,639	12,639
	<u>\$ 4,767,635</u>	<u>\$ 134,781</u>	<u>\$ 77,578</u>	<u>\$ 4,979,994</u>	<u>\$ 4,662,499</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Payables, trade	\$ 25,816	\$ -	\$ -	\$ 25,816	\$ 26,758
Accrued expenses	105,542	-	-	105,542	59,144
Current portion of long-term debt	21,839	-	-	21,839	20,671
Current portion of capital lease obligations	8,977	-	-	8,977	8,152
	162,174	-	-	162,174	114,725
<b>LONG-TERM LIABILITIES</b>					
Long-term debt	909,259	-	-	909,259	933,878
Capital lease obligations	14,297	-	-	14,297	23,274
	923,556	-	-	923,556	957,152
<b>COMMITMENTS AND CONTINGENCIES</b>					
<b>NET ASSETS</b>					
	3,681,905	134,781	77,578	3,894,264	3,590,622
	<u>\$ 4,767,635</u>	<u>\$ 134,781</u>	<u>\$ 77,578</u>	<u>\$ 4,979,994</u>	<u>\$ 4,662,499</u>

See accompanying notes

**CROSSWINDS YOUTH SERVICES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2016**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR JUNE 30, 2015**

	2016			2015	
	Unrestricted	Temporarily	Permanently	Total	
		Restricted	Restricted		
Revenues, gains and other support:					
Contracts, grants and contributions from government agencies	\$ 2,694,209	\$ -	\$ -	\$ 2,694,209	\$ 2,354,557
Brevard County and other local grants	120,497	134,781	-	255,278	299,341
Private organization support	187,395	-	-	187,395	45,000
Contributions and fundraising	141,557	-	5,200	146,757	192,132
In-kind contributions	86,982	-	-	86,982	70,565
United Way	66,136	-	-	66,136	68,000
Medicaid and fees revenue	8,265	-	-	8,265	15,747
Unrealized gain on investments	5,608	-	-	5,608	1,754
Investment income	3,160	-	-	3,160	187
Miscellaneous income	977	-	-	977	688
Realized gain on investments	695	-	-	695	508
Interest income	440	-	22	462	15
Total revenues, gains and other support	<u>3,315,921</u>	<u>134,781</u>	<u>5,222</u>	<u>3,455,924</u>	<u>3,048,494</u>
Expenses:					
Program	2,740,303	-	-	2,740,303	2,648,219
Management & general	206,058	-	-	206,058	281,403
Fundraising	205,921	-	-	205,921	203,613
Total expenses	<u>3,152,282</u>	<u>-</u>	<u>-</u>	<u>3,152,282</u>	<u>3,133,235</u>
<b>INCREASE (DECREASE)</b>					
<b>IN NET ASSETS</b>	163,639	134,781	5,222	303,642	(84,741)
<b>NET ASSETS,</b>					
<b>beginning of year</b>	<u>3,518,266</u>	<u>-</u>	<u>72,356</u>	<u>3,590,622</u>	<u>3,675,363</u>
<b>NET ASSETS,</b>					
<b>beginning of year</b>	<u>\$ 3,681,905</u>	<u>\$ 134,781</u>	<u>\$ 77,578</u>	<u>\$ 3,894,264</u>	<u>\$ 3,590,622</u>

See accompanying notes

**CROSSWINDS YOUTH SERVICES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2016**

	Shelter	Transitional Living Program	JAC/Civil Citation	Independent Living Services	Street Outreach Program	Total Programs	Management and General	Fundraising	Total Expenses
Salaries and related costs	\$ 1,046,096	\$ 209,723	\$ 147,674	\$ 130,481	\$ 128,532	\$ 1,662,506	\$ 299,221	\$ 74,485	\$ 2,036,212
Youth expenditures	34,188	87,503	-	979	1,538	124,208	-	-	124,208
Repairs and maintenance	82,915	4,573	4,011	3,216	2,096	96,811	12,602	2,215	111,628
Food	75,306	30,965	-	2,060	111	108,442	-	-	108,442
Occupancy	47,225	8,099	12,097	6,283	1,929	75,633	18,321	13,753	107,707
In-kind expenses	5,876	12,650	305	239	1,760	20,830	4,016	62,136	86,982
Insurance	34,471	4,425	8,695	4,100	1,522	53,213	6,264	3,558	63,035
Communications	31,394	4,119	6,290	2,819	1,185	45,807	6,421	1,037	53,265
Professional fees	-	600	15	-	-	615	50,949	29	51,593
Travel	16,330	4,891	4,815	7,601	3,283	36,920	13,373	731	51,024
Interest	-	-	-	-	-	-	49,764	-	49,764
Office operations	15,285	1,450	8,593	1,832	1,234	28,394	16,905	761	46,060
Small furniture and equip.	32,980	2,151	-	-	-	35,131	2,540	1,291	38,962
Fundraiser	-	-	-	-	-	-	-	19,414	19,414
Dues and licenses	13,616	15	47	13	65	13,756	2,979	372	17,107
Public relations	1,385	282	1,613	50	110	3,440	10,959	411	14,810
Conferences and training	8,622	1,479	88	1,049	1,031	12,269	716	-	12,985
Personnel processing	2,898	94	140	103	179	3,414	950	-	4,364
Literature and education	408	487	-	-	-	895	1,167	-	2,062
Allocated indirect expense	236,359	3,464	23,924	25,622	3,488	292,857	(306,773)	13,916	-
	<u>1,685,354</u>	<u>376,970</u>	<u>218,307</u>	<u>186,447</u>	<u>148,063</u>	<u>2,615,141</u>	<u>190,374</u>	<u>194,109</u>	<u>2,999,624</u>
Depreciation and amortization	<u>89,717</u>	<u>10,068</u>	<u>14,976</u>	<u>7,866</u>	<u>2,535</u>	<u>125,162</u>	<u>15,684</u>	<u>11,812</u>	<u>152,658</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,775,071</u>	<u>\$ 387,038</u>	<u>\$ 233,283</u>	<u>\$ 194,313</u>	<u>\$ 150,598</u>	<u>\$ 2,740,303</u>	<u>\$ 206,058</u>	<u>\$ 205,921</u>	<u>\$ 3,152,282</u>

See accompanying notes



**CROSSWINDS YOUTH SERVICES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2015**

	Shelter	Transitional Living Program	JAC/Civil Citation	Independent Living Services	Street Outreach Program	Total Programs	Management and General	Fundraising	Total Expenses
Salaries and related costs	\$ 989,139	\$ 143,382	\$ 143,267	\$ 133,731	\$ 138,241	\$ 1,547,760	\$ 305,231	\$ 76,345	\$ 1,929,336
Youth expenditures	38,100	91,502	361	647	2,129	132,739	-	-	132,739
Repairs and maintenance	80,595	7,955	5,019	5,231	3,622	102,422	15,923	3,806	122,151
Occupancy	70,612	6,710	7,769	6,558	3,200	94,849	9,080	8,233	112,162
Food	64,718	30,633	-	1,087	100	96,538	-	-	96,538
Insurance	43,880	3,979	8,802	4,088	3,373	64,122	4,055	3,031	71,208
In-kind expenses	12,856	1,560	1,078	1,954	2,232	19,680	3,085	47,800	70,565
Interest	-	-	-	-	-	-	63,292	-	63,292
Other expenses	-	-	-	-	-	-	61,542	-	61,542
Office operations	24,533	1,076	7,318	1,399	969	35,295	24,529	1,659	61,483
Professional fees	22,902	5,596	2,070	2,025	2,412	35,005	21,658	1,552	58,215
Travel	15,926	4,138	6,087	6,578	3,312	36,041	9,688	1,372	47,101
Communications	22,277	2,883	3,807	2,156	1,864	32,987	6,125	1,899	41,011
Fundraiser	-	-	-	-	-	-	-	26,780	26,780
Dues and licenses	15,651	6	38	22	65	15,782	7,255	4	23,041
Public relations	2,900	80	1,174	-	1,939	6,093	12,906	198	19,197
Small furniture and equip.	10,459	3,675	-	-	393	14,527	3,114	-	17,641
Conferences and training	10,416	66	98	330	100	11,010	5,437	-	16,447
Personnel processing	3,188	577	102	100	91	4,058	332	-	4,390
Literature and education	1,520	302	-	-	-	1,822	1,688	-	3,510
Allocated indirect expense	215,585	2,522	21,424	25,345	268	265,144	(284,891)	19,747	-
	1,645,257	306,642	208,414	191,251	164,310	2,515,874	270,049	192,426	2,978,349
Depreciation and amortization	97,325	7,846	12,694	9,850	4,630	132,345	11,354	11,187	154,886
<b>TOTAL EXPENSES</b>	<b>\$ 1,742,582</b>	<b>\$ 314,488</b>	<b>\$ 221,108</b>	<b>\$ 201,101</b>	<b>\$ 168,940</b>	<b>\$ 2,648,219</b>	<b>\$ 281,403</b>	<b>\$ 203,613</b>	<b>\$ 3,133,235</b>

See accompanying notes

**CROSSWINDS YOUTH SERVICES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2016 AND JUNE 30, 2015**

	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 303,642	\$ (84,741)
Adjustments to reconcile the increase (decrease) in net assets to net cash provided by operating activities		
Depreciation and Amortization	152,658	154,886
Loss on sale of property	-	61,542
Unrealized gain on investments	(5,608)	(1,754)
(Increase) decrease in operating assets		
Grants/contracts receivable	(113,358)	70,090
Prepaid expenses	(6,269)	4,300
Gift cards	1,391	(1,897.00)
Other assets	-	4,441
Increase (decrease) in operating liabilities		
Payables, trade	(942)	(16,782)
Accrued expenses	46,398	15,875
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>377,912</b>	<b>205,960</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(138,108)	-
Proceeds from sale of property	-	40,788
Reinvestment of investment income	(1,675)	(1,056)
<b>NET PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(139,783)</b>	<b>39,732</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of line of credit borrowings	-	(138,859)
Payments of long-term captital lease obligations	(8,152)	-
Payments of long-term debt borrowings	(23,451)	(7,842)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(31,603)</b>	<b>(146,701)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	206,526	98,991
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	161,540	62,549
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 368,066</b>	<b>\$ 161,540</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW</b>		
Cash paid for interest	\$ 49,764	\$ 63,292

See accompanying notes

**CROSSWINDS YOUTH SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Crosswinds Youth Services, Inc. (the Organization) is a youth serving organization committed to creating opportunities to succeed by offering a wide range of services and programs for young people up to age twenty-four (24). Services and programs include an emergency shelter, transitional housing, independent living services, intake, screening, assessment, counseling and case management. The Organization has 46 employees and its headquarters is located in Cocoa, Florida

**Basis of presentation**

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, Not-for-Profit Entities – Presentation of Financial Statements. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are satisfied within the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When the purpose has been fulfilled or upon the expiration of time restrictions, temporarily restricted net assets are reclassified to unrestricted net assets. As permitted by the Standard, the Organization does not use fund accounting.

**Cash and cash equivalents**

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

**Restricted cash and cash equivalents**

Restricted cash and cash equivalents includes funds held in an endowment fund (See Note 9) and required to be maintained in a separate bank account.

**Investments**

Investments are reported in the statement of financial position at fair value based on quoted market prices. Investment income consists of interest income, dividend income, and realized and unrealized investment gains and losses.

**Grants/Contracts receivable**

Accounts receivable are stated net of an allowance for doubtful accounts when considered necessary. Management estimates the allowance based upon factors including credit risk, the age of past due accounts, historical trends, market conditions, and consideration of any other current circumstances that could affect the collectability of amounts. Accounts receivable are charged off against the allowance when collectability is determined to be permanently impaired. Management determined that no allowance for doubtful accounts was necessary at June 30, 2016 and 2015.

**CROSSWINDS YOUTH SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property and equipment**

Fixed assets acquired by the Organization are considered to be owned by Crosswinds Youth Services, Inc. However, State funding sources may maintain equitable interest in the property purchased with grant monies, as well as the right to determine the use of any proceeds from the sale of these assets.

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

**Accrued compensated absences**

Certain employees of the Organization are entitled to vacation and sick leave depending on length of service and other factors. It is not practicable for the Organization to estimate the amount of compensation for future absences. Accordingly, no liability for future compensated absences has been recorded in the accompanying financial statements.

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support under contracts and grants, if any, are recognized when earned. Amounts received that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets are released from donor restrictions. When both temporarily restricted and unrestricted net assets are available for use, the Organization's policy is to use temporarily restricted net assets first and then unrestricted net assets as needed.

**Donated materials and services**

Donated services that qualify as specialized services and donated items are recorded at their estimated fair market value at the date of receipt. A corresponding amount is recorded as an expense.

The Organization receives donated services from unpaid volunteers; however, no amounts have been recognized in the statement of activities because the criteria for recognition of such volunteer efforts in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 958, *Not-for-Profit Entities*, have not been satisfied.

**Functional expenses**

Direct expenditures are charged to each program as incurred. Common expenses are allocated between program, management and general, and fundraising by the activities benefited as estimated by management.

**CROSSWINDS YOUTH SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income tax**

Crosswinds Youth Services, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the financial statements.

FASB ASC 740, *Accounting for Income Taxes*, prescribes a recognition threshold and measurement attribute of the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Management evaluates the Organization's tax positions on an annual basis, both past and current. If management determines that a past or current tax position is uncertain then a tax liability is calculated to represent the increase in taxes anticipated upon examination. As of June 30, 2016, management has determined that all past and current tax positions were likely to be realizable and sustainable upon examination and that the calculation of a tax liability was not necessary.

Tax years ended June 30, 2013 through 2016 remain subject to possible examination by the Internal Revenue Service.

**Use of estimates**

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**Reclassifications**

Certain amounts in the prior-year summarized financial statements have been reclassified in order to be comparable with the current year presentation.

**NOTE 2 – CONCENTRATIONS**

**Credit Risk**

The Organization maintains its cash and cash equivalents, and certificate of deposit balances in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per depositor. At June 30, 2016, the Organization's uninsured cash balance was \$74,121.

**Significant Funding Source**

The Organization received approximately 30% (2016 and 2015) of its funding from the U.S. Department of Health and Human Services and 29% (2016) and 32% (2015) from the State of Florida, Department of Juvenile Justice, passed through various agencies. These funding sources are subject to budgetary constraints and a significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Organization's programs and activities.

**CROSSWINDS YOUTH SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

---

**NOTE 3 – FAIR VALUE MEASUREMENTS**

FASB ASC 820, *Fair Value Measurements and Disclosures*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- |         |  |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the company has the ability to access.   |
| Level 2 | Inputs to the valuation methodology include <ul style="list-style-type: none"><li>▪ Quoted prices for similar assets or liabilities in active markets;</li><li>▪ Quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>▪ Inputs other than quoted prices that are observable for the asset or liability;</li><li>▪ Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul> If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to fair value.  |

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

*Common Stock* – Valued at quoted market prices.

*Bonds* – Valued at the most recent bid price of the equivalent yield for such securities.

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with their market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

**CROSSWINDS YOUTH SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 3 – FAIR VALUE MEASUREMENTS (continued)**

The following table sets for by level, within the fair value hierarchy, the Organizations investments at fair value as of June 30, 2016 and 2015:

<b>Assets at fair value as of June 30, 2016</b>				
	Level 1	Level 2	Level 3	Total
Common Stock/Options	\$ 131,875	\$ -	\$ -	\$ 131,875
Bonds	5,485	-	-	5,485
	\$ 137,360	\$ -	\$ -	\$ 137,360
<b>Assets at fair value as of June 30, 2015</b>				
	Level 1	Level 2	Level 3	Total
Common Stock/Options	\$ 124,593	\$ -	\$ -	\$ 124,593
Bonds	5,293	-	-	5,293
	\$ 129,886	\$ -	\$ -	\$ 129,886

**NOTE 4 – INVESTMENTS**

Investments at June 30, 2016 and 2015 were reported in the financial statements at fair value and are summarized as follows:

	2016 Cost	2016 Market	2015 Cost	2015 Market
Common Stock/Options	\$ 122,990	\$ 131,875	\$ 74,933	\$ 124,593
Bonds	4,000	5,485	4,000	5,293
	\$ 126,990	\$ 137,360	\$ 78,933	\$ 129,886

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2016 and 2015:

	2016	2015
Interest and dividends	\$ 3,160	\$ 2,688
Unrealized gain	5,608	1,754
Realized gain	695	508
Fees paid	(2,181)	(2,501)
	\$ 7,282	\$ 2,449

**CROSSWINDS YOUTH SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment is summarized as follows at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Land	\$ 318,729	\$ 318,729
Building and improvements	5,357,210	5,219,101
Furniture and equipment	<u>386,864</u>	<u>386,864</u>
	6,062,803	5,924,694
Accumulated depreciation	<u>(1,994,045)</u>	<u>(1,841,387)</u>
	<u>\$ 4,068,758</u>	<u>\$ 4,083,307</u>

Depreciation expense charged to operations was \$152,658 (2016) and \$154,886 (2015).

**NOTE 6 – CAPITAL LEASES**

The Organization leases certain equipment under a capital lease. The economic substance of this lease is that the organization is financing the acquisition of the equipment through the lease and accordingly, the equipment is recorded as an asset and the lease is recorded as a liability.

The following is an analysis of the lease asset included in property and equipment:

	<u>2016</u>	<u>2015</u>
Equipment under capital lease	\$ 45,000	\$ 45,000
Less accumulated depreciation	<u>27,000</u>	<u>18,000</u>
	<u>\$ 18,000</u>	<u>\$ 27,000</u>

The lease agreement contains a bargain purchase option at the end of the lease term.



**CROSSWINDS YOUTH SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 6 – CAPITAL LEASES (continued)**

The following is a schedule by years of future minimum payments required under the lease together with their present value as of June 30, 2016:

Year ending:		
2017	\$	10,841
2018		10,841
2019		<u>4,517</u>
Total minimum lease payments		26,199
Less amount representing interest		<u>2,925</u>
Present value of lease payments	\$	<u>23,274</u>
Current maturities	\$	8,977
Long-term maturities		<u>14,297</u>
	\$	<u>23,274</u>

**NOTE 7 – ACCRUED EXPENSES**

Accrued expenses for the years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Accrued wages	\$ 59,391	\$ 43,736
Accrued pension payable	42,426	11,867
Youth payable (Transitional Living)	3,132	3,491
Other accruals	<u>593</u>	<u>50</u>
	<u>\$ 105,542</u>	<u>\$ 59,144</u>

**NOTE 8 – LONG-TERM DEBT**

Long-term debt at June 30, 2016 and 2015 consisted of a loan payable to Community Credit Union of Florida, due in monthly installments of \$6,443 including interest of 6.0% until the stipulated change dates. The change dates are February 11, 2023 and February 11, 2033, when the rate will be adjusted to a fixed rate of 3.5% over the Index (weekly average yield US Treasury securities adjusted to a constant maturity of years). The rate shall not be adjusted lower than 6.0%. The mortgage loan matures February 11, 2038 and is secured by the Organization's land and buildings.

**CROSSWINDS YOUTH SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 8 – LONG-TERM DEBT (continued)**

The current and long-term balances as of June 30, 2016 and 2015 for this loan are as follows:

	2016	2015
Loan payable	\$ 931,098	\$ 954,549
Less current portion	21,839	20,671
	\$ 909,259	\$ 933,878

Future scheduled maturities of long-term debt are as follows:

2017	\$	21,839
2018		23,186
2019		24,616
2020		26,135
2021		27,746
Thereafter		807,576
	\$	931,098

**NOTE 9 – RESTRICTED NET ASSETS**

**Temporarily Restricted**

During the year ended June 30, 2016 the Brevard County of Commissioners and the Brevard County Housing Finance Authority entered into separate agreements with the Organization to provide the necessary funding to purchase two new commercial air conditioner units. In both cases, the funding was provided through lending arrangements calling for balloon payments at maturity where the outstanding interest and principal are stated to be forgiven so long as the property is used in the Organization’s programs accordance with the agreement. The loans are secured by the land and building of the Organization. One loan is for \$90,000 which matures in July 2030 and the second is a loan for \$44,781 which matures in March 2026. It is management’s intention to hold and use the assets for the prescribed purpose for at least the term of the agreement when the debt is forgiven.

**Permanently Restricted**

Donors contributed additional funds totaling \$5,200 (2016) and \$4,200 (2015) to the endowment fund known as “Amy’s Fund.” The purpose of the fund is to generate earnings for the direct support of the Organization and its mission and programs. Restrictions placed on the endowment provide that the corpus of the fund will not fall below \$20,000 and only the current earnings of the endowment may be used by the Organization. Earnings not withdrawn within twelve months after the reporting period become part of the permanently restricted endowment. With the permission of the donor who restricted the funds, the Organization borrowed \$52,500 from this fund during the year ended June 30, 2014. The loan was repaid during the year ended June 30, 2015.

**CROSSWINDS YOUTH SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

---

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

**Line of Credit**

The Organization has a \$150,000 revolving line of credit with a bank. The line of credit is collateralized by land and buildings, and is payable on demand with interest charged at a rate of 6.0%, and payable monthly. There were no borrowings against the line of credit at June 30, 2016 or 2015.

**Contingencies**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

**NOTE 11 – EMPLOYEE RETIREMENT PLANS**

The Organization has a qualified employee profit sharing plan, which covers all employees who have met certain age and service requirements. The Organization's contribution to the profit sharing plan is determined each year at the discretion of the board of directors. Total profit sharing plan contributions were \$42,426 (2016) and \$11,867 (2015).

The Organization also has a retirement plan under Internal Revenue Code section 403(b). The plan permits employees to defer compensation subject to certain limitations and permits the employer to make matching and profit sharing contributions. The plan covers all employees who have met certain age and service requirements. Employer contributions to the plan are at the discretion of the board of directors. The Organization elected not to make contributions to the plan during 2016 and 2015 fiscal years.

The Organization also has an Internal Revenue Code section 457(b) plan, which covers designated management employees who have met certain age and service requirements. The Organization contributed \$34,196 (2016) and \$16,976 (2015) to this plan.

**NOTE 12 – SUMMARIZED PRIOR YEAR INFORMATION**

For the year ended June 30, 2016, information related to each net asset class is detailed in columnar format. For the year ended 2015, asset class information has been summarized.

**NOTE 13 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 18, 2016, the date that the financial statements were available to be issued, and has determined that no material events occurred that would require disclosure.

**SUPPLEMENTARY INFORMATION**



---

WHITTAKER COOPER<sup>SM</sup>  
FINANCIAL GROUP

*Certified Public Accountants and Consultants  
A Professional Association*

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Crosswinds Youth Services, Inc.

We have audited, 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, the financial statements of Crosswinds Youth Services, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, and cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Crosswinds Youth Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crosswinds Youth Services, Inc.'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 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 Crosswinds Youth Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

*Whittaker Cooper Financial Group*

Whittaker Cooper Financial Group

Melbourne, Florida

November 18, 2016



---

WHITTAKER COOPER<sup>SM</sup>  
FINANCIAL GROUP

*Certified Public Accountants and Consultants  
A Professional Association*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND STATE FINANCIAL PROJECT  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133 AND  
CHAPTER 10.650 RULES OF THE FLORIDA AUDITOR GENERAL**

To the Board of Directors  
Crosswinds Youth Services, Inc.

**Report on Compliance for Each Major Federal Program and State financial project**

We have audited Crosswinds Youth Services, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of Crosswinds Youth Services Inc.'s major federal programs and state financial projects for the year ended June 30, 2016. Crosswinds Youth Services, Inc.'s major federal programs and state financial projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned cost.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Crosswinds Youth Services, Inc.'s major federal programs and state financial projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650 Rules of the Florida Auditor General. Those standards, the Uniform Guidance, and Chapter 10.650 Rules of the Florida Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial project occurred. An audit includes examining, on a test basis evidence about Crosswinds Youth Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial project. However, our audit does not provide a legal determination of Crosswinds Youth Services, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, Crosswinds Youth Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial projects for the year ended June 30, 2016.

**Report on Internal Control Over Compliance**

Management of Crosswinds youth Services, Inc. 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 Crosswinds Youth Services Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or State financial project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650 Rules of the Florida Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Crosswinds Youth Services, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* 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 noncompliance with a type of compliance requirement of a federal program or state financial project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.

*Whittaker Cooper Financial Group*

Whittaker Cooper Financial Group

Melbourne, Florida

November 18, 2016



**CROSSWINDS YOUTH SERVICES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –**  
**FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL PROJECTS**  
**YEAR ENDED JUNE 30, 2016**

---

**I. Summary of Independent Auditor's Results**

**Financial Statements**

- A. Type of auditor's report issued: Unmodified
- B. Internal Controls over financial reporting:  
 Material weakness(es) identified?            Yes   ✓   No  
 Significant deficiency(ies) identified that are not            Yes   ✓   No
- C. Noncompliance material to financial statements noted?            Yes   ✓   No

**Federal Awards**

- D. Type of auditor's report issued on compliance for major programs: Unmodified
- E. Internal control over major programs:  
 Material weakness(es) identified?            Yes   ✓   No  
 Significant deficiency(ies) identified that are not considered to be material weaknesses?            Yes   ✓   No
- F. Audit findings related to OMB Circular A-133:  
 Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133?            Yes   ✓   No
- G. Identification of major programs:

**Name of Federal Program**

**CFDA Numbers**

Foster Care Title IV-E 93.658  
 Chafee Foster Care Independence Program 93.674

- H. Dollar or percentage threshold used to distinguish \$750,000
- I. Auditee qualified as low-risk auditee?   ✓   Yes            No

**CROSSWINDS YOUTH SERVICES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –**  
**FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL PROJECTS**  
**YEAR ENDED JUNE 30, 2016**

---

**I. Summary of Independent Auditor's Results (continued)**  
**State Financial Projects**

- D. Type of auditor's report issued on compliance for major programs: Unmodified
- E. Internal control over major programs:  
 Material weakness(es) identified? \_\_\_\_\_ Yes   ✓   No  
 Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   ✓   No
- F. Audit findings related to A-133:  
 Any audit findings disclosed that are required to be reported in accordance with Circular A-133? \_\_\_\_\_ Yes   ✓   No
- G. Identification of major programs:
- | <u><b>Name of State Project</b></u> | <u><b>CFSA Numbers</b></u> |
|-------------------------------------|----------------------------|
| CINS/FINS                           | 80.005                     |
- H. Dollar or percentage threshold used to distinguish \_\_\_\_\_ \$300,000 \_\_\_\_\_
- I. Auditee qualified as low-risk auditee? \_\_\_\_\_ ✓ Yes \_\_\_\_\_ No

**II. Financial Statement Findings**

There are no reportable conditions, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

**III. Major Federal Award Findings and Questioned Costs**

There are no reportable conditions, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

**IV. Major State Financial Assistance Projects Findings and Questioned Costs**

There are no reportable conditions, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported in accordance with the Florida Single Audit Act.

**CROSSWINDS YOUTH SERVICES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –**  
**FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL PROJECTS**  
**YEAR ENDED JUNE 30, 2016**

---

**Other Issues**

The management letter required by A.G. Rule Section 10.656(3)(e) is not included in this report because there were no findings required to be reported.

The Summary Schedule of Prior Audit Findings is not included in this report because there were no prior audit findings related to state financial assistance projects.

A Corrective Action Plan is not required because there were no findings required to be reported under the Florida Single Audit Act.

**CROSSWINDS YOUTH SERVICES, INC.**  
**SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL PROJECTS**  
**YEAR ENDED JUNE 30, 2016**

Federal/State Agency, Pass-through Entity, State Financial Project	CFDA No.	Grantor's Contract Number	Federal Expenditures
<b>FEDERAL AWARDS</b>			
<b><u>U.S. Department of Health and Human Services</u></b>			
Transitional Living	93.550	90CX7012-03-00 90CX7012-04-00	\$ 184,517
Basic Center Grant	93.623	90CY6627-01-00 90CY6627-02-00	166,295
Street Outreach	93.557	90YO2093-03-00 90YO2222-01-01	81,975
Passed through Brevard Family Partnership			
Foster Care Title IV-E	93.658*	ILS 1301	67
Foster Care Title IV-E	93.658*	RGC1403	366,152
Social Services Block Grant	93.667	RGC1403	127,516
Chafee Foster Care Independence Program	93.674*	ILS 1301	51,405
Passed through Florida Network of Youth and Family Services			
Foster Care Title IV-E	93.658*	N/A	31,761
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Supportive Housing Program	14.235	FL0145L4H131306 FL0145L4H131407	90,347
Passed through State of Florida Department of Children and Family Services			
Emergency Shelter Grants Program	14.231	GPZ36	<u>45,187</u>
Total expenditures of federal awards			<u>\$ 1,145,222</u>

\* Major federal program

See accompanying notes to the  
Schedule of Expenditures of Federal Awards and State Financial Projects

**CROSSWINDS YOUTH SERVICES, INC.**  
**SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL PROJECTS**  
**YEAR ENDED JUNE 30, 2016**

Federal/State Agency, Pass-through Entity, State Financial Projects	CSFA No.	Grantor's Contract Number	State Expenditures
<b>STATE FINANCIAL ASSISTANCE</b>			
<b><u>State of Florida, Department of Children and Family Services</u></b>			
Passed through Brevard Family Partnership Sexually Exploited Children	60.122	ILS 1301	\$ 13,747
<b><u>State of Florida, Department of Juvenile Justice</u></b>			
Passed through Florida Youth Network of Youth and Family Services CINS/FINS	80.005**	N/A	<u>1,012,647</u>
Total expenditures of state financial assistance			<u>\$ 1,026,394</u>
Total expenditures of federal awards and state financial assistance			<u>\$ 2,171,616</u>

\*\* Major state financial project

**CROSSWINDS YOUTH SERVICES, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL PROJECTS**  
**YEAR ENDED JUNE 30, 2016**

---

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Crosswinds Youth Services, Inc. (the Organization) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Expenditures**

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

**Pass-through entities**

Pass-through entity identifying numbers are presented where available.

**NOTE C – NONMONETARY EXPENDITURES**

Nonmonetary transactions are reported on the Schedule at cost. Certain grants warrant that the grantor pays certain expenditures on behalf of the Organization. In such situations the Organization records the expenditure on the Schedule at cost.

**NOTE D – INDIRECT COST RATE**

Crosswinds Youth Services, Inc. has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.