



CROSSWINDS
YOUTH SERVICES, INC.

June 30,

2017 & 2016

Financial Statements

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

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Jan Lokay

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

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WHITTAKER COOPER
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, 2017 and 2016 and the related statements of activities, functional expenses, and cash flows for the years 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.

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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, 2017 and 2016, 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 January 9, 2018, 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.

Whittaker Cooper Financial Group

Whittaker Cooper Financial Group
Melbourne, Florida
January 9, 2018

CROSSWINDS YOUTH SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 418,778	\$ -	\$ 5,208	\$ 423,986
Investments	150,524	-	84,273	234,797
Grants/contracts receivable	275,305	-	-	275,305
Promises to give	26,780	-	-	26,780
Gift cards	1,867	-	-	1,867
Prepaid expenses	14,532	-	-	14,532
	<u>887,786</u>	<u>-</u>	<u>89,481</u>	<u>977,267</u>
PROPERTY AND EQUIPMENT, net	3,788,495	119,073	-	3,907,568
OTHER ASSETS, net	<u>11,974</u>	<u>-</u>	<u>-</u>	<u>11,974</u>
	<u>\$ 4,688,255</u>	<u>\$ 119,073</u>	<u>\$ 89,481</u>	<u>\$ 4,896,809</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Payables	\$ 22,553	\$ -	\$ -	\$ 22,553
Accrued expenses	104,105	-	-	104,105
Current portion of long-term debt	25,783	-	-	25,783
Current portion of capital lease obligations	9,887	-	-	9,887
	<u>162,328</u>	<u>-</u>	<u>-</u>	<u>162,328</u>
LONG-TERM LIABILITIES				
Long-term debt	880,597	-	-	880,597
Capital lease obligations	4,409	-	-	4,409
	<u>885,006</u>	<u>-</u>	<u>-</u>	<u>885,006</u>
COMMITMENTS AND CONTINGENCIES				
NET ASSETS	<u>3,640,921</u>	<u>119,073</u>	<u>89,481</u>	<u>3,849,475</u>
	<u>\$ 4,688,255</u>	<u>\$ 119,073</u>	<u>\$ 89,481</u>	<u>\$ 4,896,809</u>

See accompanying notes

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 285,003	\$ -	\$ 77,578	\$ 362,581
Investments	137,360	-	-	137,360
Grants/contracts receivable	263,162	-	-	263,162
Promises to give	120,000	-	-	120,000
Gift cards	791	-	-	791
Prepaid expenses	14,703	-	-	14,703
	<u>821,019</u>	<u>-</u>	<u>77,578</u>	<u>898,597</u>
PROPERTY AND EQUIPMENT, net	3,933,977	134,781	-	4,068,758
OTHER ASSETS, net	<u>12,639</u>	<u>-</u>	<u>-</u>	<u>12,639</u>
	<u>\$ 4,767,635</u>	<u>\$ 134,781</u>	<u>\$ 77,578</u>	<u>\$ 4,979,994</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Payables	\$ 25,816	\$ -	\$ -	\$ 25,816
Accrued expenses	105,542	-	-	105,542
Current portion of long-term debt	21,839	-	-	21,839
Current portion of capital lease obligations	8,977	-	-	8,977
	<u>162,174</u>	<u>-</u>	<u>-</u>	<u>162,174</u>
LONG-TERM LIABILITIES				
Long-term debt	909,259	-	-	909,259
Capital lease obligations	14,297	-	-	14,297
	<u>923,556</u>	<u>-</u>	<u>-</u>	<u>923,556</u>
COMMITMENTS AND CONTINGENCIES				
NET ASSETS	<u>3,681,905</u>	<u>134,781</u>	<u>77,578</u>	<u>3,894,264</u>
	<u>\$ 4,767,635</u>	<u>\$ 134,781</u>	<u>\$ 77,578</u>	<u>\$ 4,979,994</u>

See accompanying notes

CROSSWINDS YOUTH SERVICES, INC.
STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains and other support:				
Contracts, grants and contributions from government agencies	\$ 2,449,574	\$ -	\$ -	\$ 2,449,574
Brevard County and other local grants	213,561	-	-	213,561
Private organization support	24,500	-	-	24,500
Contributions and fundraising	185,130	-	8,000	193,130
In-kind contributions	64,047	-	-	64,047
United Way	60,000	-	-	60,000
Fees revenue	13,400	-	-	13,400
Investment earnings, net	14,930	-	3,890	18,820
Interest income	455	-	13	468
Miscellaneous income	1,699	-	-	1,699
Release from restrictions	15,708	(15,708)	-	-
Total revenues, gains and other support	<u>3,043,004</u>	<u>(15,708)</u>	<u>11,903</u>	<u>3,039,199</u>
Expenses:				
Program	2,664,919	-	-	2,664,919
Management & general	215,219	-	-	215,219
Fundraising	203,850	-	-	203,850
Total expenses	<u>3,083,988</u>	<u>-</u>	<u>-</u>	<u>3,083,988</u>
CHANGE IN NET ASSETS	(40,984)	(15,708)	11,903	(44,789)
NET ASSETS, beginning of year	<u>3,681,905</u>	<u>134,781</u>	<u>77,578</u>	<u>3,894,264</u>
NET ASSETS, end of year	<u>\$ 3,640,921</u>	<u>\$ 119,073</u>	<u>\$ 89,481</u>	<u>\$ 3,849,475</u>

See accompanying notes

CROSSWINDS YOUTH SERVICES, INC.
STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains and other support:				
Contracts, grants and contributions from government agencies	\$ 2,718,509	\$ -	\$ -	\$ 2,718,509
Brevard County and other local grants	230,978	134,781	-	365,759
Private organization support	52,614	-	-	52,614
Contributions and fundraising	141,557	-	5,200	146,757
In-kind contributions	86,982	-	-	86,982
United Way	66,136	-	-	66,136
Fees revenue	8,265	-	-	8,265
Investment earnings, net	7,474	-	-	7,474
Interest income	248	-	22	270
Miscellaneous income	977	-	-	977
Total revenues, gains and other support	<u>3,313,740</u>	<u>134,781</u>	<u>5,222</u>	<u>3,453,743</u>
Expenses:				
Program	2,740,303	-	-	2,740,303
Management & general	203,877	-	-	203,877
Fundraising	205,921	-	-	205,921
Total expenses	<u>3,150,101</u>	<u>-</u>	<u>-</u>	<u>3,150,101</u>
CHANGE IN NET ASSETS	163,639	134,781	5,222	303,642
NET ASSETS, beginning of year	<u>3,518,266</u>	<u>-</u>	<u>72,356</u>	<u>3,590,622</u>
NET ASSETS, end of year	<u>\$ 3,681,905</u>	<u>\$ 134,781</u>	<u>\$ 77,578</u>	<u>\$ 3,894,264</u>

See accompanying notes

CROSSWINDS YOUTH SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	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	\$ 1,049,669	\$ 193,758	\$ 168,643	\$ 138,148	\$ 117,936	\$ 1,668,154	\$ 282,647	\$ 71,323	\$ 2,022,124
Youth expenditures	30,566	85,442	-	794	840	117,642	-	-	117,642
Repairs and maintenance	82,389	3,454	4,369	2,923	3,176	96,311	25,114	2,595	124,020
Food	75,599	35,804	-	480	-	111,883	-	-	111,883
Occupancy	49,207	8,377	12,715	6,515	1,988	78,802	16,517	12,280	107,599
In-kind expenses	8,558	2,036	1,025	385	2,001	14,005	4,305	45,737	64,047
Insurance	34,676	3,868	7,763	3,662	1,390	51,359	7,148	2,886	61,393
Communications	19,012	5,884	3,726	4,431	1,709	34,762	5,927	376	41,065
Professional fees	286	615	104	12	4	1,021	47,394	250	48,665
Travel	15,107	5,111	2,443	7,518	1,577	31,756	8,734	442	40,932
Interest	-	-	-	-	-	-	47,378	-	47,378
Office operations	8,856	1,789	9,477	2,017	1,192	23,331	15,353	1,264	39,948
Small furniture and equip.	8,088	792	28	18	6	8,932	7,648	109	16,689
Fundraiser	-	-	-	-	-	-	-	28,562	28,562
Dues and licenses	13,095	15	17	13	65	13,205	3,883	107	17,195
Public relations	3,139	454	2,298	61	122	6,074	9,432	799	16,305
Conferences and training	7,920	3,438	87	42	1,444	12,931	1,017	-	13,948
Personnel processing	1,561	65	-	-	-	1,626	55	-	1,681
Literature and education	426	378	-	-	-	804	253	-	1,057
Allocated indirect expense	204,224	1,865	22,799	24,325	2,915	256,128	(279,980)	23,852	-
	1,612,378	353,145	235,494	191,344	136,365	2,528,726	202,825	190,582	2,922,133
Depreciation and amortization	94,387	11,062	14,147	11,409	5,188	136,193	12,394	13,268	161,855
TOTAL EXPENSES	\$ 1,706,765	\$ 364,207	\$ 249,641	\$ 202,753	\$ 141,553	\$ 2,664,919	\$ 215,219	\$ 203,850	\$ 3,083,988

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	48,768	29	49,412
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	-
	1,685,354	376,970	218,307	186,447	148,063	2,615,141	188,193	194,109	2,997,443
Depreciation and amortization	89,717	10,068	14,976	7,866	2,535	125,162	15,684	11,812	152,658
TOTAL EXPENSES	\$ 1,775,071	\$ 387,038	\$ 233,283	\$ 194,313	\$ 150,598	\$ 2,740,303	\$ 203,877	\$ 205,921	\$ 3,150,101

See accompanying notes

CROSSWINDS YOUTH SERVICES, INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2017 AND JUNE 30, 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (44,789)	\$ 303,642
Adjustments to reconcile the change in net assets to net cash provided by operating activities		
Depreciation and amortization	161,855	152,658
Investment income, net	(18,820)	(7,474)
(Increase) decrease in operating assets		
Grants/contracts receivable	(12,143)	(4,363)
Promises to give	93,220	(108,995)
Prepaid expenses	171	(6,269)
Gift cards	(1,076)	1,391
Increase (decrease) in operating liabilities		
Payables	(3,263)	(942)
Accrued expenses	(1,437)	46,398
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>173,718</u>	<u>376,046</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(138,109)
Purchases of investments	(78,617)	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(78,617)</u>	<u>(138,109)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of long-term capital lease obligations	(8,978)	(8,152)
Payments of long-term debt borrowings	(24,718)	(23,451)
NET CASH USED IN FINANCING ACTIVITIES	<u>(33,696)</u>	<u>(31,603)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	61,405	206,334
CASH AND CASH EQUIVALENTS, beginning of year	<u>362,581</u>	<u>156,247</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 423,986</u>	<u>\$ 362,581</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW		
Cash paid for interest	<u>\$ 47,378</u>	<u>\$ 49,764</u>

See accompanying notes

CROSSWINDS YOUTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 and 2016.

CROSSWINDS YOUTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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.

CROSSWINDS YOUTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2017, 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, 2014 through 2017 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, 2017, the Organization's uninsured cash balance was \$93,571.

The Organization maintains its cash equivalents and investments with a brokerage firm that is a member of the Securities Investor Protection Corporation (SIPC). Cash and investments held at a member brokerage firm are insured by the SIPC up to \$500,000 per customer, including a maximum of \$250,000 for cash balances. At June 30, 2017 the Organization had no uninsured cash equivalent or investment balances.

CROSSWINDS YOUTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – CONCENTRATIONS (continued)

Significant Funding Source

The Organization received approximately 27% (2017) and 30% (2016) of its funding from the U.S. Department of Health and Human Services and 34% (2017) and 29% (2016) 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.

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">▪ Quoted prices for similar assets or liabilities in active markets;▪ Quoted prices for identical or similar assets or liabilities in inactive markets;▪ Inputs other than quoted prices that are observable for the asset or liability;▪ Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to 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, 2017 and 2016.

Common Stock/Mutual Funds – Valued at quoted market prices.

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

CROSSWINDS YOUTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

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.

The following table sets for by level, within the fair value hierarchy, the Organizations investments at fair value as of June 30, 2017 and 2016:

Assets at fair value as of June 30, 2017				
	Level 1	Level 2	Level 3	Total
Common Stock/Mutual Funds	\$ 229,312	\$ -	\$ -	\$ 229,312
Bonds	5,485	-	-	5,485
	\$ 234,797	\$ -	\$ -	\$ 234,797

Assets at fair value as of June 30, 2016				
	Level 1	Level 2	Level 3	Total
Common Stock/Mutual Funds	\$ 131,875	\$ -	\$ -	\$ 131,875
Bonds	5,485	-	-	5,485
	\$ 137,360	\$ -	\$ -	\$ 137,360

NOTE 4 – INVESTMENTS

Investments at June 30, 2017 and 2016 were reported in the financial statements at fair value and are summarized as follows:

	2017 Cost	2017 Market	2016 Cost	2016 Market
Common Stock/Mutual Funds	\$ 205,383	\$ 229,312	\$ 122,990	\$ 131,875
Bonds	4,000	5,485	4,000	5,485
	\$ 209,383	\$ 234,797	\$ 126,990	\$ 137,360

CROSSWINDS YOUTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 – INVESTMENTS (continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2017 and 2016:

	2017	2016
Interest and dividends	\$ 5,405	\$ 3,352
Unrealized gain	14,441	5,608
Realized gain	825	695
Fees paid	<u>(1,851)</u>	<u>(2,181)</u>
	<u>\$ 18,820</u>	<u>\$ 7,474</u>

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows at June 30, 2017 and 2016:

	2017	2016
Land	\$ 318,729	\$ 318,729
Building and improvements	5,357,210	5,357,210
Furniture and equipment	<u>386,864</u>	<u>386,864</u>
	6,062,803	6,062,803
Accumulated depreciation	<u>(2,155,235)</u>	<u>(1,994,045)</u>
	<u>\$ 3,907,568</u>	<u>\$ 4,068,758</u>

Depreciation expense charged to operations was \$161,855 (2017) and \$152,658 (2016).

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

	2017	2016
Equipment under capital lease	\$ 45,000	\$ 45,000
Less accumulated depreciation	<u>36,000</u>	<u>27,000</u>
	<u>\$ 9,000</u>	<u>\$ 18,000</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, 2017

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, 2017:

Year ending:		
2018	\$	10,841
2019		4,517
Total minimum lease payments		15,358
Less amount representing interest		1,062
Present value of lease payments	\$	14,296
Current maturities	\$	9,887
Long-term maturities		4,409
	\$	14,296

NOTE 7 – ACCRUED EXPENSES

Accrued expenses for the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Accrued wages	\$ 57,985	\$ 59,391
Accrued pension payable	42,226	42,426
Youth payable (Transitional Living)	3,894	3,132
Other accruals	-	593
	\$ 104,105	\$ 105,542

NOTE 8 – LONG-TERM DEBT

Long-term debt at June 30, 2017 and 2016 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 mortgage loan matures February 11, 2038 and is secured by the Organization's land and buildings.

As a result of an inquiry by the Organization, the bank agreed to a reduced interest rate of 5.0% and corresponding monthly payments of \$5,887 beginning July 2015. The following schedule of future maturities reflects this change.

CROSSWINDS YOUTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – LONG-TERM DEBT (continued)

The current and long-term balances as of June 30, 2017 and 2016 for this loan are as follows:

	2017	2016
Loan payable	\$ 906,380	\$ 931,098
Less current portion	25,783	21,839
	\$ 880,597	\$ 909,259

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

2018	\$ 25,783
2019	27,102
2020	28,489
2021	29,947
2022	31,479
Thereafter	763,580
	\$ 906,380

NOTE 9 – RESTRICTED NET ASSETS

Temporarily Restricted

During the year ended June 30, 2017 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. The reported balance represents the original cost of the air conditioners net of accumulated depreciation as an estimate of their current fair value. 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 \$8,000 (2017) and \$5,200 (2016) 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. The Organization did not make any withdraws from this fund during the year ended June 30, 2017.

CROSSWINDS YOUTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 and 2016.

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 \$38,678 (2017) and \$42,426 (2016).

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 2017 and 2016 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 \$23,058 (2017) and \$34,196 (2016) to this plan.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 9, 2018, 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

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, 2017, 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 January 9, 2018.

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.

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Members of the Florida Institute of Certified Public Accountants | Members of the American Institute of Certified Public Accountants
Business Valuation and Forensic & Litigation Services Section | Federal Tax Section | Personal Financial Planning Section

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

January 9, 2018



WHITTAKER COOPER,
FINANCIAL GROUP

*Certified Public Accountants and Consultants
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND STATE FINANCIAL PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE 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 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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program as well as the state statutes, regulations, and the terms and conditions related to its 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, 2017.

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 the Uniform Guidance 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
January 9, 2018

CROSSWINDS YOUTH SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL PROJECTS
YEAR ENDED JUNE 30, 2017

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 considered to be material weaknesses? 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 2 CFR section 200.516(a):
- Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes ✓ No
- G. Identification of major programs:

Name of Federal Program

CFDA Numbers

Foster Care Title IV-E	93.658
Social Services Block Grant	93.667

- H. Dollar or percentage threshold used to distinguish between Type A and Type B program \$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, 2017

I. Summary of Independent Auditor's Results (continued)

State Financial Projects

- D. Type of auditor's report issued on compliance for major State projects: Unmodified
- E. Internal control over major projects:
 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 Rule 10.656:
 Any audit findings disclosed that are required to be reported in accordance with Rule 10.656? Yes ✓ No

G. Identification of major state projects:

<u>Name of State Project</u>	<u>CFSA Numbers</u>
CINS/FINS	80.005

- H. Dollar or percentage threshold used to distinguish between Type A and Type B projects as described in Department of Financial Services Rules, Chapter 69I-5, Florida Administrative Code, *State Financial Assistance* \$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, 2017

Other Issues

The management letter required by Auditor General 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, 2017

Federal/State Agency, Pass-through Entity, State Financial Project	CFDA No.	Grantor's Contract Number	Federal Expenditures
FEDERAL AWARDS			
<u>U.S. Department of Health and Human Services</u>			
Transitional Living	93.550	90CX7012-04-00 90CX7012-05-00	\$ 177,009
Basic Center Grant	93.623	90CY6627-02-00 90CY6627-03-00	166,438
Street Outreach	93.557	90YO2222-01-01 90YO2222-02-00	122,331
Passed through Brevard Family Partnership			
Foster Care Title IV-E	93.658	RGC1403	103,046
Social Services Block Grant	93.667	RGC1403	72,917
Chafee Foster Care Independence Program	93.674	ILS 1301	158,053
Passed through Florida Network of Youth and Family Services			
Foster Care Title IV-E	93.658	N/A	31,761
<u>U.S. Department of Housing and Urban Development</u>			
Supportive Housing Program	14.235	FL0145L4H131508 FL0145L4H131407	74,681
Passed through State of Florida Department of Children and Family Services			
Emergency Shelter Grants Program	14.231	GPZ41	<u>26,682</u>
Total expenditures of federal awards			<u>\$ 932,918</u>

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, 2017

Federal/State Agency, Pass-through Entity, State Financial Projects	CSFA No.	Grantor's Contract Number	State Expenditures
STATE FINANCIAL ASSISTANCE			
<u>State of Florida, Department of Children and Family Services</u>			
Passed through Brevard Family Partnership Sexually Exploited Children	60.122	ILS 1301	\$ 7,357
<u>State of Florida, Department of Juvenile Justice</u>			
Passed through Florida Youth Network of Youth and Family Services CINS/FINS	80.005	N/A	<u>993,147</u>
Total expenditures of state financial assistance			<u>\$ 1,000,504</u>
Total expenditures of federal awards and state financial assistance			<u>\$ 1,933,422</u>

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

CROSSWINDS YOUTH SERVICES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL PROJECTS
YEAR ENDED JUNE 30, 2017

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, 2017. 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.