



Brevard Alzheimer's Foundation, Inc.

FINANCIAL STATEMENTS

June 30, 2020



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Brevard Alzheimer’s Foundation, Inc.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Brevard Alzheimer's Foundation, Inc.

We have audited the accompanying financial statements of Brevard Alzheimer's Foundation, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2020, 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.

Auditors' 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 Brevard Alzheimer's Foundation, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 State Financial Assistance, as required by Chapter 10.650 Rules of the Florida Auditor General, 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 October 5, 2020 on our consideration of Brevard Alzheimer's Foundation, 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 Brevard Alzheimer's Foundation, Inc.'s internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

Melbourne, Florida

October 5, 2020

Brevard Alzheimer’s Foundation, Inc.
Statement of Financial Position

As of June 30,

2020

ASSETS

| | |
|--|---------------------|
| Current assets | |
| Cash and cash equivalents, unrestricted | \$ 391,342 |
| Cash and cash equivalents, restricted | 18,173 |
| Accounts receivable, net of allowance of \$0 | 82,842 |
| Grants receivable | 164,106 |
| Prepaid expenses | 75,200 |
| Unconditional promises to give | 69,000 |
| Investments, unrestricted | 30,414 |
| Investments, restricted | 1,712,700 |
| Total current assets | 2,543,777 |
| Noncurrent assets | |
| Property, plant and equipment at cost, less accumulated depreciation of \$1,609,986 | 1,580,505 |
| Total noncurrent assets | 1,580,505 |
| Total assets | \$ 4,124,282 |

LIABILITIES AND NET ASSETS

Liabilities

| | |
|---------------------------|----------------|
| Accounts payable | \$ 19,470 |
| Accrued expenses | 94,793 |
| Note payable | 308,750 |
| Margin loan | 463,558 |
| Total current liabilities | 886,571 |
| Total liabilities | 886,571 |

Net assets

| | |
|---|---------------------|
| Without donor restrictions | 974,331 |
| With donor restrictions | 2,263,380 |
| Total net assets | 3,237,711 |
| Total liabilities and net assets | \$ 4,124,282 |

The accompanying notes are an integral part of these financial statements.

Brevard Alzheimer's Foundation, Inc.
Statement of Activities

For the year ended June 30,

2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| Revenues | | | |
| Contracts | \$ 225,550 | \$ - | \$ 225,550 |
| Contributions | 175,230 | - | 175,230 |
| Grants | 1,208,033 | 69,000 | 1,277,033 |
| Program income | 378,367 | - | 378,367 |
| Special events | 423,731 | - | 423,731 |
| Miscellaneous income | 2,599 | - | 2,599 |
| Investment returns, net | 1,830 | 87,055 | 88,885 |
| In-kind donations | 38,933 | - | 38,933 |
| | 2,454,273 | 156,055 | 2,610,328 |
| Net assets released from restrictions | | | |
| Appropriation from donor endowment | 56,333 | (56,333) | - |
| Satisfaction of purpose restriction | 41,057 | (41,057) | - |
| Expiration of time restrictions | 72,500 | (72,500) | - |
| Total net assets released from restrictions | 169,890 | (169,890) | - |
| Total revenues | 2,624,163 | (13,835) | 2,610,328 |
| Expenses | | | |
| Program services | | | |
| Adult daycare | 1,571,503 | - | 1,571,503 |
| Relief | 92,818 | - | 92,818 |
| Case management | 390 | - | 390 |
| Meals of love | 25,007 | - | 25,007 |
| Daycare transport | 429,297 | - | 429,297 |
| SafeRide | 1,500 | - | 1,500 |
| Supporting services | | | |
| Management and general | 195,507 | - | 195,507 |
| Fundraising | 108,674 | - | 108,674 |
| Total expenses | 2,424,696 | - | 2,424,696 |
| Change in net assets | 199,467 | (13,835) | 185,632 |
| Net assets, beginning of year | 774,864 | 2,277,215 | 3,052,079 |
| Net assets, end of year | \$ 974,331 | \$ 2,263,380 | \$ 3,237,711 |

The accompanying notes are an integral part of these financial statements.

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Brevard Alzheimer's Foundation, Inc.
Statement of Functional Expenses

| | PROGRAM SERVICES | | |
|--|---------------------|------------------|--------------------|
| <i>For the year ended June 30, 2020</i> | Adult Daycare | Relief | Case Management |
| Expenses | | | |
| Advertising and outreach | \$ 48 | \$ - | \$ - |
| Bad debts | 11,435 | - | - |
| Dues and subscriptions | 553 | - | - |
| Employment related expenses | 7,340 | 302 | - |
| Repairs and maintenance | 26,980 | 312 | - |
| Food service | 76,002 | 158 | - |
| Fuel | - | - | - |
| Fundraising | - | - | - |
| In-kind | 34,703 | 390 | 390 |
| Insurance | 49,714 | 1,604 | - |
| Interest expense and bank charges | - | - | - |
| IT expense | 4,064 | 592 | - |
| Lease | 427 | 773 | - |
| Meals and entertainment | 109 | - | - |
| Miscellaneous expenses | 277 | - | - |
| Occupancy | 73,759 | 666 | - |
| Payroll taxes | 74,690 | 746 | - |
| Postage and shipping | 3,606 | 446 | - |
| Printing and publications | - | - | - |
| Professional fees | 15,611 | 454 | - |
| Salaries | 1,054,938 | 4,974 | - |
| Stipend | - | 48,188 | - |
| Supplies | 24,730 | 705 | - |
| Telephone and communication | 7,860 | 23 | - |
| Travel | 2,630 | 26,817 | - |
| Subtotal expenses before depreciation | 1,469,476 | 87,150 | 390 |
| Depreciation | 102,027 | 5,668 | - |
| Total expenses reported by function | \$ 1,571,503 | \$ 92,818 | \$ 390 |

The accompanying notes are an integral part of these financial statements.

| PROGRAM SERVICES | | | SUPPORTING SERVICES | | | |
|------------------|----------------------|--------------------------------|---------------------------|-------------|--------------|--|
| Meals of Love | Daycare Transport | World Elder Abuse Awareness | Management and General | Fundraising | Total | |
| \$ - | \$ - | \$ - | \$ 150 | \$ 8,966 | \$ 9,164 | |
| - | - | - | - | - | 11,435 | |
| 99 | 264 | - | 4,698 | - | 5,614 | |
| 625 | 342 | - | 10,422 | - | 19,031 | |
| - | 6,914 | - | 3,839 | 275 | 38,320 | |
| - | - | - | - | - | 76,160 | |
| - | 51,181 | - | 1,036 | - | 52,217 | |
| - | - | - | - | 66,240 | 66,240 | |
| 390 | 390 | - | 2,339 | 331 | 38,933 | |
| - | 23,099 | - | 15,261 | 10,561 | 100,239 | |
| - | - | - | 19,162 | - | 19,162 | |
| 479 | 3,255 | - | 21,728 | - | 30,118 | |
| - | 48,193 | - | 1,452 | - | 50,845 | |
| 241 | - | - | 5,321 | 234 | 5,905 | |
| 300 | 72 | 1,500 | 12,695 | - | 14,844 | |
| - | 545 | - | 12,996 | - | 87,966 | |
| 1,294 | 16,531 | - | 1,524 | - | 94,785 | |
| - | - | - | 178 | 5,245 | 9,475 | |
| - | - | - | - | 14,180 | 14,180 | |
| 2,406 | 5,775 | - | 25,725 | 105 | 50,076 | |
| 16,894 | 249,662 | - | 32,186 | - | 1,358,654 | |
| - | - | - | - | - | 48,188 | |
| - | 870 | - | 8,383 | 265 | 34,953 | |
| 122 | 779 | - | 3,442 | - | 12,226 | |
| 2,157 | 169 | - | 217 | 2,272 | 34,262 | |
| 25,007 | 408,041 | 1,500 | 182,754 | 108,674 | 2,282,992 | |
| - | 21,256 | - | 12,753 | - | 141,704 | |
| \$ 25,007 | \$ 429,297 | \$ 1,500 | \$ 195,507 | \$ 108,674 | \$ 2,424,696 | |

Brevard Alzheimer's Foundation, Inc.
Statement of Cash Flows

For the year ended December 31,

2020

Cash flows from operating activities:

| | |
|--|--------------|
| Cash received from granting agencies | \$ 1,277,033 |
| Contributions, donations and fundraising received | 598,961 |
| Cash received for services provided, and other sources | 585,806 |
| Cash paid to vendors | (911,349) |
| Cash paid to employees | (1,346,319) |
| Interest paid | (18,790) |
| Interest received | 38,700 |
| Net cash provided by operating activities | 224,042 |

Cash flows from investing activities:

| | |
|--|-----------|
| Purchase of investments | (171,754) |
| Sale of investments | 157,984 |
| Purchase of property, plant, and equipment | (145,164) |
| Net cash used in investing activities | (158,934) |

Cash flows from financing activities:

| | |
|---|-----------|
| Proceeds from margin loan | 30,794 |
| Proceeds from note payable | 308,750 |
| Payments on margin loan | (130,508) |
| Net cash provided by financing activities | 209,036 |

Net increase in cash and cash equivalents **274,144**

Net cash and cash equivalents at the beginning of the year **135,371**

Net cash and cash equivalents at the end of the year **\$ 409,515**

**Cash and cash equivalents are reflected on the Statement of
Financial Position as follows:**

| | |
|---|------------|
| Cash and cash equivalents, unrestricted | \$ 391,342 |
| Cash and cash equivalents, restricted | 18,173 |
| Total | \$ 409,515 |

Brevard Alzheimer’s Foundation, Inc.
Statement of Cash Flows (Continued)

| <i>For the year ended December 31,</i> | 2020 |
|--|-------------------|
| RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | |
| Change in net assets | \$ 185,632 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation expense | 141,704 |
| Unrealized gain on investments | (49,813) |
| Increase in accounts receivable | (24,582) |
| Increase in prepaid expenses | (20,445) |
| Decrease in unconditional promises to give | 3,500 |
| Decrease in accounts payable | (24,289) |
| Increase in accrued expenses | 12,335 |
| Net cash provided by operating activities | \$ 224,042 |

The accompanying notes are an integral part of these financial statements.

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Brevard Alzheimer's Foundation, Inc. Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Brevard Alzheimer's Foundation, Inc. (the "Organization") is dedicated to providing adult day health care, in-home respite and support services to people in Brevard County who suffer from Alzheimer's/Dementia related diseases and to their caregivers. Additionally, the Organization strives to assist the elderly in remaining in their homes as long as possible by providing various support services including non-emergency medical and life-sustaining transportation. The Organization is supported primarily through governmental grants, private pay client fees and the proceeds of fundraising events.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less and certificates of deposit to be cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash includes endowment cash receipts, which have not been moved to the investment accounts; and earnings on the endowment, which are available to be spent but have not yet been spent.

Accounts Receivable

Accounts receivable represent amounts due from customers as of June 30, 2020. Management closely monitors outstanding accounts receivable and charges off to expense any balances that are determined to be non-collectable or establishes an allowance for doubtful accounts. The Organization believes accounts receivable are fully collectible, and thus an allowance against those receivables has not been recorded.

Brevard Alzheimer's Foundation, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable

The Organization has amounts earned on grants for which reimbursement has not been received. The Organization believes the grants are fully collectible, and thus an allowance against has not been recorded.

Unconditional Promises to Give

Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization believes all unconditional promises receivable are collectible; therefore, no allowance for uncollectible unconditional promises is required. The need for an allowance is based on prior years' experience and management's analysis of specific promises made.

Prepaid Expenses

Payments made to vendors before product or services are received are accounted for as prepaid expenses.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property, Plant and Equipment

The Organization capitalizes all expenditures for equipment with a value in excess of \$500 and a useful life greater than one year. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets 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 support. 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 net assets with donor restrictions to net assets without donor restrictions at that time.

Brevard Alzheimer's Foundation, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment (Continued)

Property and equipment are depreciated using the straight-line method over the assets' expected useful lives which range from 3 to 39 years.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. These also include net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the Organization. The donors of these assets permit the Organization to use all of the income earned on related investments for general or specific purposes.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the supporting services benefited. Expenses that are allocated by time and effort include advertising and outreach, salaries, employment related expenses, stipend, professional fees, travel, printing and publications, and supplies. Expenses that are allocated by square footage are occupancy, depreciation, equipment repairs and maintenance, in-kind expenses, IT expenses, telephone and communication, and insurance.

Revenue Recognition

Daycare and transportation services are under program contracts and program income, as well as special events are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the payment terms of the contracts with customers are satisfied. Prior to adoption of ASC 606, the Organization recognized revenue when persuasive evidence of an arrangement existed, delivery of service had occurred, the sales price was fixed or determinable and collectability was reasonably assured.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Brevard Alzheimer's Foundation, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Contributions received are recorded without donor restrictions or with donor restrictions depending on the existence of any donor restrictions. Support that is restricted by the donor or grantor is reported as an increase in with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restrictions are reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization receives funds from various federal, state and local agency grants and contracts for program and supporting service expenses. These grants and contracts are on a cost reimbursement basis or unit-of-service fee basis, including recoverable overhead; however, commensurate value is not being exchanged between the two parties. Program income, for adult daycare and transportation, are recognized as services are provided.

Donated Goods and Services

Donated goods are reflected in the accompanying financial statements at the estimate based upon the valuation by management. For the year ended June 30, 2020, donated goods contribution and expense was \$38,933.

Volunteers provide substantial services to the Organization, and perform a variety of tasks that assist the Organization with specific assistance programs, administration and fundraising events. Donated services with an estimated value of \$121,128 for the year ended June 30, 2020, were not recognized in the financial statements because the criteria for recognition under generally accepted accounting principles were not met.

Advertising

Advertising costs are expensed as incurred. Advertising expenses totaled \$9,164 for the year ended June 30, 2020.

Tax Status

The Organization is exempt from income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and is classified as other than a private foundation. Contributions to the Organization are qualified as deductions for charitable contributions.

The Organization follows the accounting guidance for uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities.

Brevard Alzheimer's Foundation, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been reviewed through October 5, 2020, the date which in the financial statements were available to be issued. See Note 14 for relevant disclosures.

Newly Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance.

Effective July 1, 2019, the Organization adopted Topic 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment recognized upon the adoption. Therefore, the 2019 financial statements have not been restated and continue to be reported under the accounting standards in effect for that year. The cumulative impact of the adoption of Topic 606 was insignificant. Accordingly, no adjustment was recorded upon adoption of Topic 606.

The Organization has also adopted ASU No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 605) as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. The adoption of this standard did not have an impact on the Organization's financial statements.

Brevard Alzheimer’s Foundation, Inc.
Notes to Financial Statements

Note 3: LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has structured its financial assets to be available for its general expenditures and other obligations that come due. In the event of an unanticipated liquidity need, the Organization also could draw upon the endowment annually no greater than 5% of the average fund principal during the preceding calendar year.

June 30, 2020

| | |
|--|-------------|
| Cash and cash equivalents | \$ 409,515 |
| Accounts receivable | 82,842 |
| Grants receivable | 164,106 |
| Unconditional promises to give | 69,000 |
| Investments | 1,743,114 |
| Total financial assets available within one year | 2,468,577 |
| Less: amounts available for general expenditures within one year, due to | |
| Restricted by donors with time and purpose restrictions, | |
| excluding restrictions on land | (1,743,880) |
| Financial assets available to meet cash needs for | |
| general expenditures within one year | \$ 724,697 |

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

| | |
|--|------------|
| Cash and cash equivalents | \$ 391,342 |
| Accounts receivable | 82,502 |
| Grants receivable | 164,106 |
| Short-term investments | 30,414 |
| Investments without donor restrictions | 56,333 |
| Total | \$ 724,697 |

Note 4: FAIR VALUE MEASUREMENTS

The FASB ASC 820, *Fair Value Measurements*, establishes 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).

Brevard Alzheimer’s Foundation, Inc.
Notes to Financial Statements

Note 4: FAIR VALUE MEASUREMENTS (Continued)

The three levels of the fair value hierarchy under 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 plan has the ability to access.
- Level 2: Inputs to the valuation methodology include
- 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 the fair value measurement.

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.

Equities: Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed Income: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issuers with similar credit ratings.

The 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 other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of June 30, 2020:

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Observable Inputs other than Quoted Prices (Level 2) | Significant Unobservable Inputs (Level 3) |
|-----------------------------------|---------------------|---|--|--|
| Equities | \$ 1,027,203 | \$ 1,027,203 | \$ - | \$ - |
| Fixed Income | 715,911 | 715,911 | - | - |
| Total assets at fair value | \$ 1,743,114 | \$ 1,743,114 | \$ - | \$ - |

Brevard Alzheimer’s Foundation, Inc.
Notes to Financial Statements

Note 5: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at June 30, 2020 consisted of the following:

| | Cost | Accumulated Depreciation | Net Book Value |
|-------------------------------|---------------------|-------------------------------------|---------------------------|
| Land* | \$ 519,500 | \$ - | \$ 519,500 |
| Land improvements | 17,725 | (15,756) | 1,969 |
| Leasehold improvements | 4,359 | (4,359) | - |
| Buildings | 1,974,989 | (1,161,410) | 813,579 |
| Building improvements | 225,803 | (179,022) | 46,781 |
| Furniture and fixtures | 29,261 | (28,555) | 706 |
| Computer and office equipment | 70,331 | (70,285) | 46 |
| Signs | 37,513 | (18,441) | 19,072 |
| Vehicles | 311,010 | (132,158) | 178,852 |
| Total | \$ 3,190,491 | \$ (1,609,986) | \$ 1,580,505 |

* See Note 10 for restrictions.

Depreciation expense for the year ended June 30, 2020 was \$141,704.

Note 6: ACCRUED EXPENSES

Accrued expenses at June 30, 2020 are comprised of the following:

| | | |
|------------------------|-----------|---------------|
| Accrued payroll | \$ | 44,761 |
| Accrued vacation | | 41,152 |
| Credit cards payable | | 122 |
| Insurance | | 795 |
| Other accrued expenses | | 7,963 |
| Total | \$ | 94,793 |

Note 7: DEBT

The Organization maintains a short-term borrowing agreement with a financial institution. The borrowing capacity under this agreement varies with the fair market value of investments. At June 30, 2020, the maximum allowed under the line was \$700,000, of which \$463,558 was outstanding. Interest is payable monthly based on the financial institution’s broker call rate less 0.50%, plus a margin interest rate of 2.25%. The account is secured by the Organization's investments.

The Organization obtained a Paycheck Protection Program promissory note through the CARES Act on May 7, 2020 for \$308,750. The note payable matures on May 7, 2022. Principal and interest payments begin in January 2020 with an interest rate of 1.00% per year. The entire amount is expected to be forgiven. Upon meeting all the conditions for forgiveness, revenue will be recognized for the amount forgiven. Not all of the conditions have been met as of June 30, 2020, so the entire amount is still shown as a note payable.

Brevard Alzheimer’s Foundation, Inc.
Notes to Financial Statements

Note 8: OPERATING LEASES

The Organization leases several vans for use in its daycare and transportation programs. The leases are month-to-month and may be cancelled at any time with 30 days written notice. During the fiscal year ended June 30, 2020, lease expense under these leases was \$48,193.

The Organization also leases a copier with monthly payments of \$170 through July 2021.

Minimum rental payments under the leases as of June 30, 2020, for the next five years and in the aggregate are as follows:

| Year ending June 30, | Amount |
|----------------------|-----------------|
| 2021 | \$ 2,040 |
| 2022 | 170 |
| | <u>\$ 2,210</u> |

Note 9: CONTINGENCIES

In 1998, 2002, and 2004, the Organization received grants of land from Brevard County valued at \$250,000, \$134,500 and \$135,000, respectively. As stipulated by the County, the land was used as the sites of Alzheimer’s Day Health Care Centers located in Melbourne, Micco, and Titusville, Florida. The County maintains a reversionary interest in the land and all improvements. In the event that the properties cease to be used as care centers, title reverts to the Board of Commissioners of Brevard County.

Note 10: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2020 consist of the following:

| Subject to expenditure for specified purpose | |
|--|---------------------|
| Weinberg endowment and accumulated gains not available to be spent | \$ 1,098,687 |
| Capital campaign | 576,193 |
| Adult daycare program | 69,000 |
| Land restricted as to purpose, donor retains a reversionary interest | 519,500 |
| Total | \$ 2,263,380 |

Brevard Alzheimer’s Foundation, Inc.
Notes to Financial Statements

Note 10: NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets were released from restrictions during the year ended June 30, 2020:

| Purpose | | |
|--|-----------|----------------|
| Money available to be spent from endowment | \$ | 56,333 |
| Capital expenses | | 41,057 |
| Adult daycare program | | 72,500 |
| Total net assets released from restrictions | \$ | 169,890 |

Note 11: REVENUE

The Organization revenue includes revenue from contracts and grants for administration, meals of love, relief and world elder abuse. The remaining revenue is obtained from services provided for case management, day care, and transport for clients. As of June 30, 2020, there are no performance obligations to be satisfied. The Organization recognizes revenue at a point in time when the services are rendered.

A summary of disaggregated revenue information follows:

| <i>For the year ended June 30, 2020</i> | Revenue Subject to ASC 606 | Revenue Not Subject to ASC 606 | Total |
|---|----------------------------------|--------------------------------------|---------------------|
| Foundation | | | |
| Administration | \$ 423,730 | \$ 369,192 | \$ 792,922 |
| Meals of love | - | 144,605 | 144,605 |
| Relief | - | 89,775 | 89,775 |
| World Elder Abuse Awareness Day | - | 39 | 39 |
| Joe's Club | | | |
| Case management | - | 1,984 | 1,984 |
| Day care | 577,732 | 702,612 | 1,280,344 |
| Transport | 26,186 | 274,473 | 300,659 |
| Total revenues | \$ 1,027,648 | \$ 1,582,680 | \$ 2,610,328 |

Contract balances:

| June 30, | 2020 |
|--|------------|
| Accounts receivable, beginning of year | \$ 105,269 |
| Accounts receivable, end of year | \$ 82,842 |

Brevard Alzheimer’s Foundation, Inc.
Notes to Financial Statements

Note 12: ENDOWMENT

The Organization has interpreted FUPMIFA to permit spending from underwater funds in accordance with the prudent measures required under law. Additionally, in accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

The Organization's policy is to comply with the endowment's originally established policy of a 5% of the average balance annual withdrawal based on total value as specified by the donor. All earnings available to be spent are without donor restrictions.

The Board placed funds from a capital campaign into the endowment. These funds are restricted by the donor to be used on capital items. The portion of the endowment from the capital campaign is all available to be spent. The balance is included in with donor restrictions due to the purpose restriction.

Endowment net asset composition by type of fund was as follows at June 30, 2020:

| | Without Donor Restrictions | With Donor Restrictions | | Total |
|--|----------------------------------|-------------------------|---------------------|---------------------|
| | | Weinberg Endowment | Capital Campaign | |
| Board designated endowment funds | \$ - | \$ - | \$ 576,193 | \$ 576,193 |
| Donor-restricted endowment funds: | | | | |
| Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor | - | 1,000,000 | - | 1,000,000 |
| Accumulated investment gains | - | 98,687 | - | 98,687 |
| Available to be spent | 56,333 | - | - | 56,333 |
| Total | \$ 56,333 | \$ 1,098,687 | \$ 576,193 | \$ 1,731,213 |

Brevard Alzheimer’s Foundation, Inc.
Notes to Financial Statements

Note 12: ENDOWMENT (Continued)

Changes in endowment net assets were as follows for the year ended June 30, 2020:

| | Without Donor Restrictions | With Donor Restrictions | | Total |
|--|----------------------------------|-------------------------|---------------------|---------------------|
| | | Weinberg Endowment | Capital Campaign | |
| Endowment net assets, beginning of year | \$ 59,049 | \$ 1,098,285 | \$ 586,930 | \$ 1,744,264 |
| Investment returns, net | - | 56,735 | 30,320 | 87,055 |
| Contributions | - | - | - | - |
| Withdrawals | (59,049) | - | (41,057) | (100,106) |
| Appropriation of endowment assets for expenditure | 56,333 | (56,333) | - | - |
| Endowment net assets, end of year | \$ 56,333 | \$ 1,098,687 | \$ 576,193 | \$ 1,731,213 |

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Organization works closely with and relies on investment advisors to ensure that assets are invested in a manner intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Organization expects its endowment funds, overtime, to produce an average rate of return of approximately 5% annually. To satisfy its long-term rate-of-return objectives, the Organizations relies on its investment advisors to develop a strategy which will meet the Organization’s needs.

Note 13: CONCENTRATIONS

The Organization maintains its cash in checking accounts and investments in a brokerage account which, at times, may exceed insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash or investments.

At June 30, 2020, two customers accounted for 89% of accounts receivable as follows:

| Customer | Percentage | Amount |
|-------------|------------|------------|
| Customer #1 | 69% | \$ 171,061 |
| Customer #2 | 20% | 49,350 |

For the year ended June 30, 2020, one customer accounted for 36% of revenues as follows:

| Customer | Percentage | Amount |
|-------------|------------|------------|
| Customer #1 | 36% | \$ 927,822 |

Note 13: CONCENTRATIONS (Continued)

At June 30, 2020, two vendors accounted for 24% of accounts payable as follows:

| Vendor | Percentage | Amount |
|-----------|------------|----------|
| Vendor #1 | 11% | \$ 2,113 |
| Vendor #2 | 13% | 2,483 |

Note 14: SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic which has continued into the next fiscal year. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including: (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

On July 2, 2020, the Organization entered into a 30-year loan agreement with the Small Business Administration in the amount of \$150,000 at an interest rate of 2.75% per annum. The Organization will owe monthly payments of \$641 beginning July 2, 2021. The maturity date of the loan is July 2, 2050.

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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*

The Board of Directors
Brevard Alzheimer's Foundation, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Brevard Alzheimer's Foundation, Inc., as of and for the year ended June 30, 2020 and the related notes to the financial statements, and have issued our report thereon dated October 5, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brevard Alzheimer's Foundation, 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 Brevard Alzheimer's Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Brevard Alzheimer's Foundation, Inc.'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2020-001 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Brevard Alzheimer's Foundation, Inc.'s Response to Findings

The Organization's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cam, Riggs & Ingram, L.L.C.

Melbourne, Florida
October 5, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY CHAPTER 10.650, RULES OF THE FLORIDA AUDITOR GENERAL

The Board of Directors
Brevard Alzheimer's Foundation, Inc.

Report on Compliance for Each Major State Project

We have audited Brevard Alzheimer's Foundation, Inc.'s compliance with the types of compliance requirements described in *Chapter 10.650, Rules of the Auditor General* that could have a direct and material effect on each of Brevard Alzheimer's Foundation, Inc.'s major state projects for the year ended June 30, 2020. Brevard Alzheimer's Foundation, Inc.'s major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the state statutes, regulations, contracts and grants applicable to its state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Brevard Alzheimer's Foundation, Inc.'s major state 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 Chapter 10.650, Rules of the Auditor General. Those standards, Chapter 10.650, 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 state project occurred. An audit includes examining, on a test basis, evidence about Brevard Alzheimer's Foundation, 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 state project. However, our audit does not provide a legal determination of Brevard Alzheimer's Foundation, Inc.'s compliance.

Opinion on Each Major State Project

In our opinion, Brevard Alzheimer's Foundation, 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 state projects for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Brevard Alzheimer's Foundation, 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 Brevard Alzheimer's Foundation, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Brevard Alzheimer's Foundation, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 State 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 state 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 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, and therefore material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses.

However, we did identify certain deficiencies in internal control over compliance describe in the accompanying schedule of findings and questioned costs as items 2020-002 and 2020-003 that we consider to be significant deficiencies.

The Organization's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Cam, Riggs & Ingram, L.L.C.

Melbourne, Florida
October 5, 2020

**Brevard Alzheimer’s Foundation, Inc.
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020**

Section I-Summary of Auditor’s Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors’ report issued: | Unmodified |
| 2. Internal control over major financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | No |

State Projects

- | | |
|---|------------|
| 1. Type of auditors’ report issued on compliance for major state projects | Unmodified |
| 2. Internal control over major state projects: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | Yes |
| 3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650? | Yes |
| 4. Identification of major state projects: | |

| <u>CFDA Number</u> | <u>State Program</u> |
|------------------------------|---|
| 65.002/65.004 Respite | Alzheimer’s Interventions, Memory Disorder Clinics, Brain Banks and Alzheimer’s Special Projects/Alzheimer’s Services |

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and B projects : | \$300,000 |
|---|-----------|

Brevard Alzheimer's Foundation, Inc.
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

Section II—Financial Statement Findings

SD 2019-001 SEGREGATION OF DUTIES

Criteria: Accounting software access and cash collection should have segregation of duties and access controls that maintain that segregation.

Condition: The Organization does not have proper segregation of duties for its accounting software concerning the cash collection processes.

Cause: Multiples employees have access to post and approve journal entries, including the Executive Director who has administrative access to the accounting software, which was caused when the new CFO role was created in NetSuite. The Finance Manager opens the mail and is first to count cash collected, but also has CFO level access in the accounting software.

Effect: Employees could post and approve their own entries and circumvent controls in place.

Recommendation: The Organization should review logical access in the accounting software so employees handling unrecorded cash cannot approve transactions. Mail should not be opened by employees with access to post into the accounting system and cash should be counted first by the receptionist.

Management Response:

SD 2020-001 REVIEW OF FINAL TRIAL BALANCE

Criteria: Grant advances and revenue should reconcile to the cash amounts received from the granting agency. Prepaid expenses should only be recorded when making advanced payments for goods or service to be received in the future period and expense during the period in which they are used.

Condition: Reimbursement requests for a grant did not reconcile to the revenue recognized in the general ledger. Financed insurance was not properly represented resulting in in an overstatement of prepaid insurance and accrued expense.

Cause: The final trial balance was not reviewed in sufficient detail to determine if accounts are represented appropriately at year end.

Effect: Revenue was understated and liabilities were overstated by \$18,481. Prepaid and accrued expenses were overstated by \$21,384 and \$18,177, respectively, and insurance expense was understated by \$3,207.

Recommendation: Management should reconcile grant drawdowns to the corresponding amounts reported in the financial statements, and review the trial balance for any amounts that are not within expectations.

Brevard Alzheimer’s Foundation, Inc.
Schedule of Findings and Questioned Costs (Continued)
For the year ended June 30, 2020

Management Response: Management will reconcile grant drawdown to the corresponding amounts reported in the financial statements and review the trial balance for any amounts that are not within expectations. The executive director will sign off and track all grant drawdowns and initial and date the monthly tracking form showing review.

Section IV–State Project Findings and Questioned Costs

SD 2020-002 ELIGIBILITY

CSFA #65.002 Alzheimer Interventions, Memory Disorder Clinics, Brain Banks and CSFA #65.004 Alzheimer Special Projects/Alzheimer's Respite Services

2020 Funding

Department of Elder Affairs

Passed through Area Agency on Aging Matters of Central Florida d/b/a Senior Resource Alliance

Criteria: Per Florida Statute 215.97, non-Federal entities must establish and maintain effective internal controls to provide reasonable assurance of compliance with the Florida Single Audit Act. Additionally, the Department of Elder Affairs requires recipients of benefits under the Alzheimer’s Disease Initiative Program clients must be the age of 18 or over with, or suspected having, a memory disorder, and not be enrolled in any Medicaid capitated long-term care program.

Condition: There was no documentation to determine the in-home and clinical assessments forms were being reviewed to determine compliance with eligibility requirements.

Cause: There was no formal process in place to document the review of eligibility determination.

Effect: Services could be provided under the Alzheimer’s Disease Initiative to ineligible participants.

Questioned Costs: None.

Recommendation: Review of in-home and clinical assessments forms should be documented to ensure compliance with eligibility requirements.

Management Response: Brevard Alzheimer’s Foundation follows strict standards set by the state contract with Senior Resource Alliance. The ADI team has created a new tracking form that will be placed in all client files with case manager supervisors initialing the assessments.

SD 2020-003 REPORTING

CSFA #65.002 Alzheimer Interventions, Memory Disorder Clinics, Brain Banks and CSFA #65.004 Alzheimer Special Projects/Alzheimer's Respite Services

2020 Funding

Department of Elder Affairs

Passed through Area Agency on Aging Matters of Central Florida d/b/a Senior Resource Alliance

Brevard Alzheimer’s Foundation, Inc.
Schedule of Findings and Questioned Costs (Continued)
For the year ended June 30, 2020

Criteria: Per Florida Statute 215.97, non-Federal entities must establish and maintain effective internal controls to provide reasonable assurance of compliance with the Florida Single Audit Act.

Condition: There was no documentation to determine if the Annual Service Cost Report and Annual Programmatic Monitoring Report were reviewed prior to submission to the granting agency.

Cause: The Brevard Alzheimer’s Foundation did not have a formal review process in place for the Annual Service Cost Report and Annual Programmatic Monitoring Report to ensure the reports are accurate and submitted in a timely manner.

Effect: Without formal review process the Annual Service Cost Report and Annual Programmatic Monitoring Report could be inaccurate upon submission to the granting agency.

Questioned Costs: None.

Recommendation: Document review of Annual Service Cost Report and Annual Programmatic Monitoring Report prior to submission.

Management Response: Brevard Alzheimer’s Foundation reviews the Annual Service Cost Report and Annual Programmatic Monitoring Report as a committee with the Executive Director, Director of Operations, ADI Contract Manager, and caseworkers. This review will be documented with an internal control sign-in sheet and review completion checklist.

Section V—Prior Findings and Questioned for State Projects

No matters were reported in the prior year.

Brevard Alzheimer’s Foundation, Inc.
Schedule of Expenditures of State Financial Assistance
For the year ended June 30, 2020

| <i>State Agency, Pass-through Entity, State Project</i> | <i>CSFA No.</i> | <i>Contract/ Grant No.</i> | <i>Expenditures</i> | <i>Transfers to subrecipients</i> |
|--|------------------------|---------------------------------------|----------------------------|--|
| <i>State Programs:</i> | | | | |
| Department of Elder Affairs | | | | |
| Area Agency on Aging of Central Florida, Inc. | | | | |
| d/b/a Senior Resource Alliance | | | | |
| Alzheimer Interventions, Memory Disorder Clinics, Brain Banks and Alzheimer Special Projects/Alzheimer 's Respite Services | 65.002 | BAFI-ADI-20 | \$ 677,974 | \$ - |
| Respite for Elders Living in Everyday Families (RELIEF) | 65.006 | BAFI-RELIEF-20 | 82,186 | - |
| Total Area Agency on Aging of Central Florida, Inc. d/b/a Senior Resource Alliance | | | 760,160 | - |
| Total Department of Elder Affairs | | | 760,160 | - |
| <i>Total State Programs</i> | | | <i>760,160</i> | <i>-</i> |
| <i>Total Expenditures of State Financial Assistance</i> | | | <i>\$ 760,160</i> | <i>\$ -</i> |

Note A: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Assistance (the “Schedule”) includes the state activity of the Brevard Alzheimer’s Foundation, Inc. under programs of the state government for the year ended June 30, 2020. The information in this Schedule is presented 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 Chapter 10.650, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Brevard Alzheimer’s Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Brevard Alzheimer’s Foundation, Inc.

Note B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of State Assistance is a summary of the Brevard Alzheimer’s state assistance programs presented on the accrual basis of accounting.



Corrective Action Plan

October 5, 2020

Brevard Alzheimer's Foundation Inc. respectively submits the following corrective action plan for the year ended June 30, 2020.

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

Audit Period: Fiscal Year July 1, 2019 – June 30, 2020

The findings from the schedule of findings and questioned costs dated October 5, 2020 are discussed below. The findings are numbered consistently with the number assigned in the schedule.

SD 2019-001 SEGREGATION OF DUTIES

Recommendation: The Organization should review logical access in the accounting software so employees handling unrecorded cash cannot approve transactions. Mail should not be opened by employees with access to post into the accounting system and cash should be counted first by the receptionist.

Management Response: All mail will be opened by a receptionist/administration assistant who does not have access to our accounting system.

Responsible party: Receptionist/Administrative Assistant

Date expected to be corrected: 7/1/2020

SD 2020-001 REVIEW OF FINAL TRIAL BALANCE

Recommendation: Management should reconcile grant drawdowns to the corresponding amounts reported in the financial statements, and review the trial balance for any amounts that are not within expectations.

Management Response: Management will reconcile grant drawdown to the corresponding amounts reported in the financial statements and review the trial balance for any amounts that are not within expectations. The executive director will sign off and track all grant drawdowns and initial and date the monthly tracking form showing review.

Responsible party: Executive Director

Date expected to be corrected: 7/1/2020

SD 2020-002 ELIGIBILITY

Recommendation: Review of in-home and clinical assessments forms should be documented to ensure compliance with eligibility requirements.

Management Response: Brevard Alzheimer's Foundation follows strict standards set by the state contract with Senior Resource Alliance. The ADI team has created a new tracking form that will be placed in all client files with case manager supervisors initialing the assessments.

Responsible party: Director of Operations

Date expected to be corrected: 7/1/2020

SD 2020-003 REPORTING

Recommendation: Document review of Annual Service Cost Report and Annual Programmatic Monitoring Report prior to submission.

Management Response: Brevard Alzheimer's Foundation reviews the Annual Service Cost Report and Annual Programmatic Monitoring Report as a committee with the Executive Director, Director of Operations, ADI Contract Manager, and caseworkers. This review will be documented with an internal control sign-in sheet and review completion checklist.

Responsible party: Director of Operations

Date expected to be corrected: 7/1/2020