



A Home for Every Child

**4KIDS OF SOUTH FLORIDA, INC.
and SUBSIDIARIES**

**Consolidated Financial Statements
With Independent Auditors' Report
and
Federal and State Awards
In Accordance with the Uniform Guidance
and Florida Chapter 10.650**

Year Ended June 30, 2024

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
4KIDS of South Florida, Inc. and Subsidiaries
Fort Lauderdale, Florida

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of 4KIDS of South Florida, Inc. and Subsidiaries (a nonprofit corporation), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of 4KIDS of South Florida, Inc. and Subsidiaries as of June 30, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of 4KIDS of South Florida, Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 4KIDS of South Florida, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors
4KIDS of South Florida, Inc. and Subsidiaries
Fort Lauderdale, Florida

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 4KIDS of South Florida, Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 4KIDS of South Florida, Inc. and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of 4KIDS of South Florida Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of 4KIDS of South Florida, Inc. and Subsidiaries' 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 4KIDS of South Florida, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Capin Crouse LLC

Lawrenceville, Georgia
March 28, 2025

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Consolidated Statements of Financial Position

	June 30,	
	2024	2023
ASSETS:		
Cash and cash equivalents	\$ 3,952,800	\$ 4,495,125
Accounts and other receivables	723,027	771,963
Pledges receivable	434,792	724,375
Prepaid expenses and other assets	304,805	314,115
Operating leases right-of-use assets	195,701	109,600
Property and equipment–net	7,404,336	7,497,320
Total Assets	\$ 13,015,461	\$ 13,912,498
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 819,776	\$ 822,895
Operating leases right-of-use obligations	211,935	109,600
Mortgage note payable	473,756	486,098
Total liabilities	1,505,467	1,418,593
Net assets:		
Without donor restrictions	9,914,655	9,884,634
With donor restrictions	1,595,339	2,609,271
Total net assets	11,509,994	12,493,905
Total Liabilities and Net Assets	\$ 13,015,461	\$ 13,912,498

See notes to consolidated financial statements

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Consolidated Statement of Activities

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Support:			
Contributions	\$ 6,488,722	\$ 1,230,500	\$ 7,719,222
Special events	583,621	-	583,621
	7,072,343	1,230,500	8,302,843
Revenue:			
Government and private funding	4,236,503	-	4,236,503
Rental	127,692	-	127,692
Program services	155,739	-	155,739
Other	160,810	-	160,810
	4,680,744	-	4,680,744
Total Support and Revenue	11,753,087	1,230,500	12,983,587
RECLASSIFICATIONS:			
Satisfaction of purpose or time restrictions	2,244,432	(2,244,432)	-
	2,244,432	(2,244,432)	-
EXPENSES:			
Program services:			
Foster care	4,222,867	-	4,222,867
EPIC Program	2,511,272	-	2,511,272
Residential foster care	847,067	-	847,067
Community engagement	1,014,568	-	1,014,568
His Caring Place	328,296	-	328,296
TIL 2:25	454,597	-	454,597
CarePortal	321,176	-	321,176
HopeConnect	163,667	-	163,667
	9,863,510	-	9,863,510

(continued)

See notes to consolidated financial statements

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Consolidated Statement of Activities

Year Ended June 30, 2024

(continued)

	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES, continued:			
Supporting activities:			
General and administrative	1,488,985	-	1,488,985
Fundraising:			
Donor relations	2,139,097	-	2,139,097
Marketing	475,906	-	475,906
	2,615,003	-	2,615,003
	4,103,988	-	4,103,988
Total Expenses	13,967,498	-	13,967,498
Change in Net Assets	30,021	(1,013,932)	(983,911)
Net Assets, Beginning of Year	9,884,634	2,609,271	12,493,905
Net Assets, End of Year	\$ 9,914,655	\$ 1,595,339	\$ 11,509,994

See notes to consolidated financial statements

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Consolidated Statement of Activities

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Support:			
Contributions	\$ 6,760,529	\$ 1,493,160	\$ 8,253,689
Special events	704,093	-	704,093
	7,464,622	1,493,160	8,957,782
Revenue:			
Government and private funding	3,761,933	-	3,761,933
Rental	123,357	-	123,357
Program services	201,918	-	201,918
Other	241,718	-	241,718
	4,328,926	-	4,328,926
Total Support and Revenue	11,793,548	1,493,160	13,286,708
RECLASSIFICATIONS:			
Satisfaction of purpose or time restrictions	714,484	(714,484)	-
EXPENSES:			
Program services:			
Foster care	3,490,489	-	3,490,489
EPIC Program	2,551,031	-	2,551,031
Residential foster care	898,477	-	898,477
Community engagement	958,117	-	958,117
His Caring Place	406,465	-	406,465
TIL 2:25	516,302	-	516,302
CarePortal	273,989	-	273,989
HopeConnect	90,856	-	90,856
	9,185,726	-	9,185,726

(continued)

See notes to consolidated financial statements

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Consolidated Statement of Activities

Year Ended June 30, 2023

(continued)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
EXPENSES, continued:			
Supporting activities:			
General and administrative	<u>1,507,184</u>	<u>-</u>	<u>1,507,184</u>
Fundraising:			
Donor relations	1,757,441	-	1,757,441
Marketing	497,919	-	497,919
	<u>2,255,360</u>	<u>-</u>	<u>2,255,360</u>
	<u>3,762,544</u>	<u>-</u>	<u>3,762,544</u>
Total Expenses	<u>12,948,270</u>	<u>-</u>	<u>12,948,270</u>
Change in Net Assets	(440,238)	778,676	338,438
Net Assets, Beginning of Year	<u>10,324,872</u>	<u>1,830,595</u>	<u>12,155,467</u>
Net Assets, End of Year	<u>\$ 9,884,634</u>	<u>\$ 2,609,271</u>	<u>\$ 12,493,905</u>

See notes to consolidated financial statements

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services								Total Program Services
	Foster Care	EPIC Program	Residential Foster Care	Community Engagement	His Caring Place	TIL 2:25	CarePortal	HopeConnect	
Compensation and benefits	\$ 3,587,409	\$ 2,123,189	\$ 531,415	\$ 733,670	\$ 170,220	\$ 217,041	\$ 268,214	\$ 66,476	\$ 7,697,634
Payments to foster parents	43,830	-	597	119	105	-	24,172	-	68,823
Professional services	257,612	174,219	13,474	105,719	1,312	41,172	353	72,549	666,410
Other operating expenses	123,557	148,528	89,021	71,435	15,558	42,426	18,219	8,431	517,175
Occupancy and depreciation	120,880	65,336	212,560	28,441	140,412	142,469	-	-	710,098
Community awareness	89,579	-	-	75,184	689	11,489	10,218	16,211	203,370
	<u>\$ 4,222,867</u>	<u>\$ 2,511,272</u>	<u>\$ 847,067</u>	<u>\$ 1,014,568</u>	<u>\$ 328,296</u>	<u>\$ 454,597</u>	<u>\$ 321,176</u>	<u>\$ 163,667</u>	<u>\$ 9,863,510</u>
	Supporting Services								
	General and Administrative	Donor Relations	Fundraising		Total Fundraising	Total Supporting Services		Total Expenses	
Compensation and benefits	\$ 749,839	\$ 1,450,185	\$ 178,407	\$ 1,628,592	\$ 2,378,431			\$ 10,076,065	
Payments to foster parents	-	-	32	32	32			68,855	
Professional services	29,588	262,016	164,063	426,079	455,667			1,122,077	
Other operating expenses	187,080	133,319	65,940	199,259	386,339			903,514	
Occupancy and depreciation	505,699	56,942	14,487	71,429	577,128			1,287,226	
Community awareness	16,779	236,635	52,977	289,612	306,391			509,761	
	<u>\$ 1,488,985</u>	<u>\$ 2,139,097</u>	<u>\$ 475,906</u>	<u>\$ 2,615,003</u>	<u>\$ 4,103,988</u>			<u>\$ 13,967,498</u>	

See notes to consolidated financial statements

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Consolidated Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services							Total Program Services	
	Foster Care	EPIC Program	Residential Foster Care	Community Engagement	His Caring Place	TIL 2:25	CarePortal		HopeConnect
Compensation and benefits	\$ 2,770,412	\$ 2,000,297	\$ 483,135	\$ 734,451	\$ 242,815	\$ 245,405	\$ 266,062	\$ 33,399	\$ 6,775,976
Payments to foster parents	45,993	53	3,623	17	204	-	-	-	49,890
Professional services	238,212	136,728	11,227	92,296	496	33,180	-	39,372	551,511
Other operating expenses	129,309	343,651	83,850	72,131	18,117	39,738	7,927	3,169	697,892
Occupancy and depreciation	139,844	70,085	316,329	37,028	144,363	196,730	-	-	904,379
Community awareness	166,719	217	313	22,194	470	1,249	-	14,916	206,078
	<u>\$ 3,490,489</u>	<u>\$ 2,551,031</u>	<u>\$ 898,477</u>	<u>\$ 958,117</u>	<u>\$ 406,465</u>	<u>\$ 516,302</u>	<u>\$ 273,989</u>	<u>\$ 90,856</u>	<u>\$ 9,185,726</u>
	Supporting Services								
	General and Administrative	Fundraising			Total Supporting Services				Total Expenses
		Donor Relations	Marketing	Total Fundraising					
Compensation and benefits	\$ 817,753	\$ 1,164,055	\$ 213,317	\$ 1,377,372	\$ 2,195,125				\$ 8,971,101
Payments to foster parents	-	-	-	-	-				49,890
Professional services	80,379	186,010	163,049	349,059	429,438				980,949
Other operating expenses	248,077	119,353	59,236	178,589	426,666				1,124,558
Occupancy and depreciation	322,368	59,290	15,156	74,446	396,814				1,301,193
Community awareness	38,607	228,733	47,161	275,894	314,501				520,579
	<u>\$ 1,507,184</u>	<u>\$ 1,757,441</u>	<u>\$ 497,919</u>	<u>\$ 2,255,360</u>	<u>\$ 3,762,544</u>				<u>\$ 12,948,270</u>

See notes to consolidated financial statements

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (983,911)	\$ 338,438
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	219,382	217,984
Operating leases right-of-use assets	76,248	28,446
Operating leases right-of-use obligations	(60,014)	(28,446)
Changes in operating assets and liabilities:		
Accounts and other receivables	48,936	(54,895)
Pledges receivable	289,583	(724,375)
Prepaid expenses and other assets	9,310	(230,700)
Accounts payable and accrued expenses	(3,119)	362,235
Net Cash Used by Operating Activities	(403,585)	(91,313)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures for property and equipment	(126,398)	(286,686)
Net Cash Used by Investing Activities	(126,398)	(286,686)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on mortgage note payable	(12,342)	(11,976)
Net Cash Used by Financing Activities	(12,342)	(11,976)
Net Change in Cash and Cash Equivalents	(542,325)	(389,975)
Cash and Cash Equivalents, Beginning of Year	4,495,125	4,885,100
Cash and Cash Equivalents, End of Year	\$ 3,952,800	\$ 4,495,125
SUPPLEMENTAL DISCLOSURES:		
Interest paid	\$ 19,523	\$ 19,889
NONCASH FINANCING AND INVESTING ACTIVITIES:		
Right-of-use asset acquired in exchange for operating lease obligation	\$ 162,349	\$ -

See notes to consolidated financial statements

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION:

4KIDS of South Florida, Inc. and Subsidiaries (collectively referred to as the Organization) is the consolidated financial reporting entity for 4KIDS of South Florida, Inc. (4KIDS South Florida) and its subsidiaries: 4KIDS of America, LLC (4KIDS America), 4KIDS Real Estate, Inc. (4KIDS Real Estate), and 4KIDS Foundation, Inc. (4KIDS Foundation).

4KIDS South Florida was incorporated in February 2002 under the laws of the state of Florida Not-For-Profit Corporation Act. 4KIDS South Florida is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), is classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Code, and is qualified for deductible contributions as provided in Section 170(b)(1)(A)(vi).

In December 2006, 4KIDS South Florida received acknowledgment by the Internal Revenue Service of its status as an integrated auxiliary of Calvary Chapel Church, Inc. d/b/a Calvary Chapel Fort Lauderdale and Affiliates (CCFL) pursuant to the changes made in the provisions of its amended Articles of Incorporation and Bylaws filed in 2003.

4KIDS America was organized in February 2014 under the laws of the state of Florida Revised Limited Liability Company Act. 4KIDS America exists to further the purposes of 4KIDS South Florida. Control of 4KIDS America by 4KIDS South Florida is complete because 4KIDS South Florida is the sole member of 4KIDS America.

4KIDS Real Estate was organized in September 2020 under the Florida Not-For-Profit Corporation Act. It is not a private foundation with the meaning of section 509(a) of the Code, is exempt from income taxes under section 501(c)(3) of the Code, and is qualified for deductible contributions as provided in section 170 of the Code. 4KIDS Real Estate exists to further the purposes of 4KIDS South Florida and is classified as a Type 1 supporting organization under section 509(a)(3) of the Code. It is also classified as an integrated auxiliary of 4KIDS South Florida and is exempt from filing the annual IRS Form 990 tax return under section 6033(a)(3)(i) of the Code.

4KIDS Foundation was organized in September 2020 under the Florida Not-For-Profit Corporation Act. It is not a private foundation with the meaning of section 509(a) of the Code, is exempt from income taxes under section 501(c)(3) of the Code, and is qualified for deductible contributions as provided in section 170 of the Code. 4KIDS Foundation exists to further the purposes of 4KIDS South Florida and is classified as a Type 1 supporting organization under Section 509(a)(3) of the Code. It is also classified as an integrated auxiliary of 4KIDS South Florida and is exempt from filing the annual IRS Form 990 tax return under section 6033(a)(3)(i) of the Code.

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION, continued:

The Organization exists to serve at-risk children and families in collaboration with local and legal authorities by mobilizing and equipping the faith community to rescue, protect, and nurture children in the foster care system. The Organization accomplishes its objectives through the following program services:

Foster care—The Organization’s foster care program is dedicated to ensuring that children in the foster care system receive excellent care and quality housing. The Organization does this by ensuring their needs are met in the following four key areas: physical, emotional, social, and spiritual. The services currently provided include but are not limited to:

- Recruitment of foster families
- Training and continuing education of foster families
- Licensing of foster families
- Placement of children into licensed foster homes
- Support services for biological and foster families and the children involved

Emotions, Physical, Intellectual, Character (EPIC)—EPIC is a therapeutic program which addresses the individual needs of the children in the aspects of their emotions, physical, and intellectual well-being and development of character.

Residential foster care—This program provides homes with committed families and staff members to assist children and teenagers in the process of developing, coping, and learning to trust again in a caring Christian environment through the following programs:

- KidsPlace 1&2—specialized foster homes that allow larger sibling groups to be placed together
- GirlsPlace & MercyPlace—specialized foster homes for teens that would otherwise likely be placed in group homes

Community Engagement (CE)— CE consists of the Church Engagement team as well as the Volunteer department. The Church Engagement Team is responsible for the management and stewardship of church relationships that contribute to the recruitment and ministry to foster families. The Volunteer department organizes and coordinates volunteer participation through events, service projects, program and office support, and Family Advocacy Ministry (FAM) teams that provide practical support and encouragement for our foster families.

His Caring Place (HCP)— HCP provides maternity care to pregnant and parenting young adults. HCP serves young women during their pregnancy and after they have given birth by providing physical, emotional, and spiritual support as well as case management services designed to lead them to independence.

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION, continued:

Transitional Independent Living 2:25 (TIL 2:25)—TIL 2:25 exists to assist young men and women who have “aged out” of foster care. By providing comprehensive services including housing, life skills, mentoring, financial planning, etc., young adults are able to transition from foster care to independent living.

CarePortal—The implementation of the CarePortal technology platform which provides a connection point to meet the tangible and relational needs of vulnerable children and families. The intent is to connect children and families with churches to meet tangible needs, but also develop a network of support for the families to improve the well-being of the family and thereby prevent the need for children to enter foster care. The Organization facilitates training of child welfare partners to submit requests into the system and churches, businesses, and individuals to respond to those requests. The Organization provides Bible story books to participating churches, at no cost to them, to give to children served. Additionally, the CarePortal Team supports the CarePortal users by providing initial troubleshooting of issues using the system, coordinate functional meetings to help identify collective trends and issues to ensure the effective use to the system, and coordinates all community meetings and other interactive events to promote positive dialogue and relationships among partners.

HopeConnect—This program equips parents and caregivers to instill the Hope of God’s Word into the life of their child who have experienced trauma. HopeConnect is a free, digital platform designed to create meaningful connections through Everyday moments. These expertly designed activities that allow parents to connect with their children while connecting their children to the Hope of God’s Word.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the operations of 4KIDS South Florida, 4KIDS America, 4KIDS Real Estate, and 4KIDS Foundation. All significant inter-company balances and transactions have been eliminated.

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

USE OF ESTIMATES

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated 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

Cash and cash equivalents consist of cash held in checking and savings accounts. The Organization maintains its cash and cash equivalents with high credit, quality financial institutions, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and utilizes an insured cash sweep strategy to minimize exposure. At June 30, 2024 and 2023, the Organization's cash balances exceeded federally insured limits by \$1,079,723 and \$537,255, respectively.

ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables consists primarily of amounts due the Organization under cost-reimbursable federal and state contract and grant agreements. The allowance for doubtful accounts and other receivables is maintained at a level that, in management's judgment, is adequate to absorb probable losses. The amount is based upon an analysis of overall receivables by management. Management's evaluation of the allowance includes, but is not limited to, the historical experience of payment patterns from the grantor, financial condition of the grantor, other known facts and circumstances, and general economic conditions. This process is based on estimates, and ultimate loss may vary from current estimates. As of June 30, 2024 and 2023, all receivables are considered by management to be fully collectible and, accordingly, an allowance has not been provided.

PLEDGES RECEIVABLE

When a donor has unconditionally promised to contribute funds to the Organization in future periods, the Organization recognizes a pledge receivable. Pledges expected to be collected within one year are recorded as support and a receivable at net realizable value. Pledges expected to be collected in future years are recorded as support and a receivable at the present value of the expected future cash flows. For the years ended June 30, 2024 and 2023, discounts on the pledges receivable are immaterial, and management has determined not to record those amounts. As of June 30, 2024 and 2023, no allowance for uncollectible pledges receivable has been recorded, as management believes that the pledges receivable are fully collectible.

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT—NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. The Organization capitalizes all property and equipment expenditures greater than \$10,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years.

CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by class of net assets:

Net assets without donor restrictions are currently available at the discretion of the board for use in operations, designated by the board for other specific projects determined by the board, or invested in property and equipment net of accumulated depreciation and related debt.

Net assets with donor restrictions are stipulated by donors for specific operating purposes, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and funding, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or funding provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. All other exchange revenue is recognized when earned.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications. Contributions with donor restrictions which have been fully expended for their intended purposes within the reporting period are reported as contributions without donor restrictions.

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

The Organization reports donations of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization conducted several special events designed to inform supporters about its ministry and expose itself to potential new donors. Special events consist of revenue generated from the Organization's annual events. As of June 30, 2024 and 2023, special events revenue is recorded gross of special events related expense of \$203,023 and \$152,021, respectively.

Donated goods and services (including securities, property, rent, and equipment) are recorded at fair value at the date of donation.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include compensation and benefits, depreciation, facilities operations, and other expenses. Depreciation is allocated based on square footage and the programmatic purpose of the asset being depreciated. Costs of other categories were allocated based on programmatic purpose of the employees directly affected by the expense.

CONCENTRATIONS

During the years ended June 30, 2024 and 2023, the Organization received 15% and 24%, respectively, of total support and revenue from one and two donors, respectively. The Organization's operations and program services could be impacted if these relationships were to terminate and could not be replaced by new donors with comparable donations.

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities to achieve its mission and vision as well as the conduct of services undertaken to support those activities to be general expenditures.

	June 30,	
	2024	2023
Financial assets, at year-end:		
Cash and cash equivalents	\$ 3,952,800	\$ 4,495,125
Accounts and other receivables	723,027	771,963
Pledges receivable	434,792	724,375
	<u>5,110,619</u>	<u>5,991,463</u>
Less those not available for general expenditure within one year, due to:		
Pledges receivable collectible beyond one year	<u>(166,624)</u>	<u>(431,333)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,943,995</u>	<u>\$ 5,560,130</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of June 30, 2024, the Organization has \$1,428,715 in net assets with donor restrictions for project support. These funds are considered available to meet needs for general expenditures as funds are used for their donor-restricted purposes or as the related time restrictions are fulfilled.

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

4. ACCOUNTS AND OTHER RECEIVABLES:

Accounts and other receivables consist of:

	June 30,	
	2024	2023
ChildNet	\$ 230,876	\$ 254,354
Children's Network of Southwest Florida	23,320	17,651
Citrus Family Care Network	15,980	57,682
Communities Connected for Kids	34,244	100,211
Department of Children and Families	206,833	125,000
Receivables due from related party	-	2,383
Other receivables	211,774	214,682
	<u>\$ 723,027</u>	<u>\$ 771,963</u>

5. PLEDGES RECEIVABLE:

Pledges receivable consist of:

	June 30,	
	2024	2023
Unconditional pledges receivable	<u>\$ 434,792</u>	<u>\$ 724,375</u>
Amounts due in:		
Less than one year	\$ 268,168	\$ 293,167
Two to three years	<u>166,624</u>	<u>431,208</u>
	<u>\$ 434,792</u>	<u>\$ 724,375</u>

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

6. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	June 30,	
	2024	2023
Land	\$ 1,658,732	\$ 1,658,732
Buildings and improvements	7,782,600	7,699,655
Vehicles	208,755	168,952
Furniture and fixtures	536,107	494,107
	10,186,194	10,021,446
Less accumulated depreciation	(2,781,858)	(2,562,476)
	7,404,336	7,458,970
Construction in progress	-	38,350
	\$ 7,404,336	\$ 7,497,320

7. MORTGAGE NOTE PAYABLE:

Mortgage note payable consists of:

	June 30,	
	2024	2023
<p>Mortgage note payable to a certain financial institution with a fixed interest rate of 4% which is subject to change at various scheduled points during the term of the note payable; requires monthly principal and interest payments in the amount of \$2,655 through maturity in April 2037; collateralized by certain real property. Subsequent to June 30, 2024, the financial institution has called the loan, due to a change in financial institution relationship. The Organization is in the process of refinancing or paying it off.</p>	\$ 473,756	\$ 486,098

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

7. MORTGAGE NOTE PAYABLE, continued:

Principal maturities of the mortgage note payable are estimated as follows:

Years Ending June 30,	Amounts
2025	\$ 13,175
2026	13,712
2027	14,271
2028	14,852
2029	15,455
Thereafter	402,291
	\$ 473,756

8. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions for purpose or time consist of:

	June 30,	
	2024	2023
Expansion		
Purpose restrictions	\$ 793,418	\$ 1,521,169
Time restrictions	434,792	724,375
TIL 2:25 program	24,862	13,909
EPIC program	40,879	1,000
CARE portal	58,705	54,946
Other	242,683	293,872
	\$ 1,595,339	\$ 2,609,271

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

9. OPERATING LEASES RIGHT-OF-USE ASSETS AND OBLIGATIONS:

The Organization leases certain facilities and equipment under noncancelable operating leases expiring in 2027. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The leases require monthly payments ranging from \$6,614 to \$8,524.

	June 30,	
	2024	2023
Operating leases right-of-use assets	\$ 195,701	\$ 109,600
Operating leases right-of-use obligations	\$ 211,935	\$ 109,600
Operating lease costs	\$ 83,227	\$ 29,868
Weighted-average discount rate	2.95%	1.14%
Weighted-average remaining lease term	2.47%	3.33%

Future minimum lease payments under the noncancelable operating leases (with an initial or remaining noncancelable lease term in excess of one year) as of June 30, 2024, are as follows:

Years Ending June 30,	Amounts
2025	\$ 89,873
2026	101,333
2027	28,436
	219,642
Less imputed interest	(7,707)
	\$ 211,935

10. EMPLOYEE BENEFIT PLAN:

The Organization offers all eligible employees the opportunity to participate in a Section 403(b) Retirement Savings Plan (the Plan). The Plan allows voluntary employee contributions and includes employer matching contributions of 50% of employee voluntary contributions up to 3% of salary. For the years ended June 30, 2024 and 2023, the Organization made contributions of \$128,122 and \$99,016, respectively, to the Plan.

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 28, 2025, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

FEDERAL AWARDS

**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTAL INFORMATION**

Board of Directors
4KIDS of South Florida, Inc. and Subsidiaries
Fort Lauderdale, Florida

We have audited the consolidated financial statements of 4KIDS of South Florida, Inc. and Subsidiaries as of and for the years ended June 30, 2024 and 2023, and our report thereon dated March 28, 2025, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance on pages 23-27, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and State of Florida Chapter 10.650, *Rules of the Auditor General*, and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Capin Crouse LLC

Lawrenceville, Georgia
March 28, 2025

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal/CFSA Assistance Listing Number	Agreement Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
State of Florida Foster Care Services Cluster*:					
Passed through from ChildNet, Inc.:			PJT23-Broward		
Temporary Assistance for Needy Families	93.558			\$ -	\$ 66,079
Foster Care Title IV-E	93.658			-	225,619
Adoption Assistance	93.659			-	13,185
Social Service Block Grant	93.667			-	88,882
				<u>-</u>	<u>393,765</u>
Passed through from ChildNet, Inc.:			PPJ23CPA-Palm Beach		
Temporary Assistance for Needy Families	93.558			-	63,752
Foster Care Title IV-E	93.658			-	213,713
Adoption Assistance	93.659			-	12,721
Social Service Block Grant	93.667			-	67,212
				<u>-</u>	<u>357,398</u>
Total passed through from ChildNet, Inc.				<u>-</u>	<u>751,163</u>

(continued)

See notes to schedule of expenditures of federal awards and state financial assistance

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal/CFSA Assistance Listing Number	Agreement Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, continued:					
State of Florida Foster Care Services Cluster, continued:					
Passed through from Communities Connected for Kids, Inc.:			CCK24-106		
Marylee Allen Promoting Safe and Stable Families	93.556			-	12,065
Temporary Assistance for Needy Families	93.558			-	130,946
Foster Care Title IV-E	93.658			-	356,366
Adoption Assistance	93.659			-	26,129
Total passed through from Communities Connected for Kids, Inc.				<u>-</u>	<u>525,506</u>
Passed through from Children's Network of Southwest Florida, LLC			BBT07		
Temporary Assistance for Needy Families	93.558			-	50,826
Foster Care Title IV-E	93.658			-	138,321
Adoption Assistance	93.659			-	10,142
Total passed through from Children's Network of Southwest Florida, LLC				<u>-</u>	<u>199,289</u>

(continued)

See notes to schedule of expenditures of federal awards and state financial assistance

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal/CFSA Assistance Listing Number	Agreement Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, continued:					
State of Florida Foster Care Services Cluster, continued:					
Passed through from Citrus Family Care Network					
Temporary Assistance for Needy Families	93.558		#22-13	-	82,224
Foster Care Title IV-E	93.658			-	108,929
Adoption Assistance	93.659			-	16,407
Social Service Block Grant	93.667			-	889
Total passed through from Citrus Family Care Network				-	208,449
Total State of Florida Foster Care Services Cluster*				-	1,684,407
Total U.S. Department of Health and Human Services				-	1,684,407
Total Expenditures of Federal Awards				\$ -	\$ 1,684,407

(continued)

See notes to schedule of expenditures of federal awards and state financial assistance

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal/CFSA Assistance Listing Number	Agreement Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
STATE PROJECTS:					
Passed through from ChildNet, Inc.:					
Child Welfare Out-of-Home Supports	60.074		PJT23-Broward	-	388,720
Child Welfare Out-of-Home Supports	60.074		PPJ23CPA-Palm Beach	-	315,995
Total passed through from ChildNet, Inc.				-	704,715
4Kids of Florida Foster Parent Recruitment Project**	60.173	IJ713		-	1,246,500
Total State Financial Assistance				\$ -	\$ 1,951,215
Total Expenditures of Federal Awards and State Financial Assistance				\$ -	\$ 3,635,622

*Major Federal Program

**Major State Project

See notes to schedule of expenditures of federal awards and state financial assistance

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

June 30, 2024

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying schedule of expenditures of federal awards and state financial assistance (the schedule) includes the federal and state grant activity of 4KIDS of South Florida, Inc. and Subsidiaries (Organization) under programs of the federal government and State of Florida for the year ended June 30, 2024. The information in the schedule is presented in accordance with the requirements of the 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 Auditor General*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements. Expenditures in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. If the Organization is required to match certain federal or state assistance, as defined by the grant agreements, no such matching has been included as expenditures in the schedule.

The federal funds received under assistance listing numbers (ALN) 93.556, 93.558, 93.658, 93.659, and 93.667 are comingled when awarded and disbursed to the Organization. As the expenditures under these ALNs are not distinguishable, the funds are treated as a state cluster for the Single Audit.

2. INDIRECT COST RATE:

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO CONSOLIDATED FINANCIAL STATEMENTS:

The amount of total expenditures of federal awards and state financial assistance reconciles to the revenue in the consolidated statement of activities as follows:

Total expenditures of federal awards and state financial assistance	\$ 3,635,622
Plus:	
Medicaid reimbursements not subject to Uniform Guidance audit requirements	513,674
Private grant revenue	68,500
Other reconciling items	18,707
	<hr/>
Government and private funding per consolidated statement of activities	\$ 4,236,503
	<hr/> <hr/>

4. SUBRECIPIENTS, NON-CASH ASSISTANCE, FEDERAL INSURANCE, LOANS, AND LOAN GUARANTEES:

The Organization did not provide any federal funds to subrecipients nor did they receive any federal non-cash assistance, insurance, loans, or loan guarantees.

**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***

Board of Directors
4KIDS of South Florida, Inc. and Subsidiaries
Fort Lauderdale, Florida

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 consolidated financial statements of 4KIDS of South Florida, Inc. and Subsidiaries (Organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Directors
4KIDS of South Florida, Inc. and Subsidiaries
Fort Lauderdale, Florida

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s consolidated 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



Lawrenceville, Georgia
March 28, 2025

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE
FINANCIAL ASSISTANCE PROJECT AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

Board of Directors
4KIDS of South Florida, Inc. and Subsidiaries
Fort Lauderdale, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project
Opinion on Each Major Federal Program and State Financial Assistance Project

We have audited 4KIDS of South Florida, Inc. and Subsidiaries' (Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and *Florida State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and state financial assistance projects, respectively, for the year ended June 30, 2024. The Organization's major federal programs and state financial assistance projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, 4KIDS of South Florida, Inc. and Subsidiaries 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 assistance projects for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program and State Financial Assistance Project

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 the audit requirements of the State of Florida Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650 are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state financial assistance projects. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs and state financial assistance projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program and state financial assistance project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Board of Directors
4KIDS of South Florida, Inc. and Subsidiaries
Fort Lauderdale, Florida

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance 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 assistance 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 assistance 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 *Auditors' Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.



Lawrenceville, Georgia
March 28, 2025

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Schedule of Findings and Questioned Costs

June 30, 2024

Section I - Summary of Audit Results

Financial Statements:

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered a material weakness? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered a material weakness? yes none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings that are required to be reported in accordance with 2 CFR Part 200.516(a)? yes no

Identification of major program(s):

Assistance Listing Numbers

93.556, 93.558, 93.658
93.659, and 93.667

Name of Federal Program or Cluster

State of Florida Foster Care Services Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Schedule of Findings and Questioned Costs

June 30, 2024

Section I - Summary of Auditors' Results, continued

Florida State Awards:

Internal control over major state project:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered a material weakness? yes none reported

Type of auditors' report issued on compliance for major state project: unmodified

Any audit findings that are required to be reported in accordance with Chapter 10.656? yes no

Identification of major state project(s):

CFSA Numbers
60.173

Name of State Project or Cluster
4Kids of Florida Foster Parent Recruitment Project

Dollar threshold used to distinguish between type A and type B state projects: \$585,365

Auditee qualified as low-risk auditee? yes no

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Schedule of Findings and Questioned Costs

June 30, 2024

Section II - Financial Statement Findings

There are no current findings in internal control over financial reporting required to be reported in accordance with *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There are no current year findings that were considered material instances of noncompliance in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Section IV - State Financial Assistance Projects Findings and Questioned Costs

There are no current findings that were considered material instances of noncompliance in accordance with Florida Statute Chapter 10.650, *Rules of the Auditor General*.

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

Auditee Summary Schedule of Prior Audit Findings

June 30, 2024

Financial Statement Findings

There were no prior audit findings in internal control over financial reporting.

Federal Award Findings

There were no prior audit findings or questioned costs.

State Financial Assistance Findings

There were no prior audit findings or questioned costs.

MANAGEMENT LETTER

March 28, 2025

Board of Directors
4KIDS of South Florida, Inc. and Subsidiaries
Fort Lauderdale, Florida

In planning and performing our audit of the consolidated financial statements of 4KIDS of South Florida, Inc. and Subsidiaries (the organization) for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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.

Professional standards define a material weakness and a significant deficiency as follows:

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our comments concerning internal control and other significant matters are presented as follows:

- Audit Committee Matters

This communication is intended solely for the information and use of management, the board of directors, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Board of Directors
4KIDS of South Florida, Inc. and Subsidiaries
March 28, 2025
Page 2

We will be pleased to further discuss these matters with you and want to express our sincere appreciation to the staff for the cooperation and assistance received during the audit engagement and for the opportunity to serve 4KIDS of South Florida, Inc. and Subsidiaries.

Sincerely yours,

A handwritten signature in black ink that reads "Capin Crouse LLC". The signature is written in a cursive, flowing style.

CAPIN CROUSE LLC

AUDIT COMMITTEE MATTERS

The following information about our audit, as required by professional standards, is considered to be significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process.

Auditors' Responsibility under U.S. Generally Accepted Auditing Standards

As independent auditors of the consolidated financial statements, we are responsible for:

- Performing the audit in accordance with U.S. generally accepted auditing standards.
- Designing the audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement.
- Forming and expressing an opinion about whether the consolidated financial statements, that have been prepared by management with the oversight of those charged with governance, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

An audit of consolidated financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting.

Our audit of the consolidated financial statements does not relieve management or those charged with governance of their responsibilities. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is the risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

Independence

Under professional standards, including Rule 101 of the American Institute of Certified Public Accountants' Code of Professional Conduct and its interpretations and rulings, we are required to communicate all relationships between CapinCrouse LLC and the board that, in our professional judgment, may reasonably be thought to bear on independence.

We are not aware of any relationships or services that would jeopardize this condition. We affirm our objectivity and independence in performing our audit services in conformity with professional standards.

Qualitative Aspects of Accounting Practices

Accounting policies—Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have evaluated the appropriateness of accounting policies and their application. The significant accounting policies used are described in Note 2 to the consolidated financial statements.

Changes in accounting policies—No new accounting policies were adopted, and the application of existing policies was not changed during the year.

Recently issued pronouncements—There are no immediate pronouncements issued by the FASB that we anticipate could have a significant impact on future consolidated financial statements. We will communicate to management as any significant ones are issued.

Significant and unusual transactions—Under professional standards, we are required to inform you about transactions we noted that were both significant and unusual, or transactions for which there is a lack of authoritative guidance or consensus. We noted no such transactions entered into by the organization during the year. All significant transactions have been recognized in the consolidated financial statements in the proper period.

AUDIT COMMITTEE MATTERS, continued

Qualitative Aspects of Accounting Practices, continued

Uncorrected misstatements—There were no uncorrected misstatements identified during the audit.

Material corrected misstatements—There were no material corrected misstatements identified during the audit.

Other corrected misstatements—There were no other corrected misstatements identified during the audit.

Accounting estimates—Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management’s knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most significant estimates include:

- Depreciation of property and equipment based on a straight-line methodology
- Allocation of expenses on a functional basis using estimates of square footage and employee time

We reviewed the process and basis for management’s judgments and estimates impacting key accounting and financial reporting areas and concluded they are reasonable in relation to the consolidated financial statements taken as a whole.

Consolidated Financial statements disclosures and related matters—We considered issues involved and related judgments made, in formulating sensitive consolidated financial statements disclosures and believe they are presented with overall neutrality, consistency, and clarity.

Representations requested from management—A copy of the letter containing representations requested from management is attached.

Significant Difficulties Encountered During the Audit

We are pleased to report that there were no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

Professional standards define disagreements with management, whether or not resolved to our satisfaction, as a matter concerning financial accounting, reporting, or auditing that could be significant to the consolidated financial statements or the independent auditors’ report.

We are pleased to report that no such disagreements arose during the course of our audit.

Management’s Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the consolidated financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

AUDIT COMMITTEE MATTERS, continued

Significant Issues Discussed with Management

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the independent auditors. However, any discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

4KIDS OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

March 28, 2025

CapinCrouse LLC:

This representation letter is provided in connection with your audits of the consolidated financial statements of 4KIDS of South Florida, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements, for the purpose of expressing an opinion as to whether the consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits.

Consolidated Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 3, 2024, including our responsibility for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP.
- 2) The consolidated financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) There are no known related-party relationships or transactions which need to be accounted for or disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the consolidated financial statements that would require adjustment to or disclosure in the consolidated financial statements or in the schedule of expenditures of federal awards and state financial assistance.
- 8) Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- 10) Receivables recorded in the consolidated financial statements represent valid claims against debtors for sales or other charges arising on or before the consolidated statement of financial position date and have been reduced to their estimated net realizable value.

- 11) We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of assets might not be recoverable.
- 12) We have no plans or intentions to discontinue the operations of any program or discontinue any significant services or activities.
- 13) In regard to the nonattest services performed by you, we have—
 - Assumed all management responsibilities.
 - Designated Mark Churchill and Felicia Gordon, who have suitable skill, knowledge, or experience to oversee the services.
 - Evaluated the adequacy and results of the services performed.
 - Accepted responsibility for the results of the services.

The nonattest services include the following:

- Preparation of the consolidated financial statements and related notes, schedule of expenditures of federal awards, related notes and data collection form

Information Provided

- 14) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the consolidated financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 15) All material transactions have been recorded in the accounting records and are reflected in the consolidated financial statements or the schedule of expenditures of federal awards and state financial assistance.
- 16) We have disclosed to you the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud.
- 17) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the consolidated financial statements.
- 18) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's consolidated financial statements communicated by employees, former employees, grantors, regulators, or others.
- 19) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse whose effects should be considered when preparing consolidated financial statements.
- 20) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the consolidated financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 21) We confirm that we have no related party relationships or transactions, including any side agreements to disclose.
- 22) Except as made known to you, the Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 24) 4KIDS of South Florida, Inc. and Subsidiaries is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.
- 25) With respect to federal award programs:
- a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of Florida Chapter 10.650, Rules of the Auditor General (Chapter 10.650) relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards and state financial assistance (SEFA) and related notes in accordance with the requirements of the Uniform Guidance and Chapter 10.650, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance and Chapter 10.650. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) If the SEFA is not presented with the audited consolidated financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditors' report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and Chapter 10.650 compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal and state agencies in the form of federal and state awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - e) We are responsible for understanding and complying with, and have complied with, the requirements of federal and state statutes, regulations, and the terms and conditions of federal awards related to each of our federal and state programs and have identified and disclosed to you the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards that are considered to have a direct and material effect on each major program.
 - f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provides reasonable assurance that we are managing our federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
 - g) We have made available to you all federal and state awards (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal and state programs and related activities.
 - h) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
 - i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and *Florida Department of Financial Services State Projects Compliance Supplement*, relating to state awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal and state awards.

- j) We have disclosed any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
 - k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
 - l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
 - m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
 - o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
 - q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditors' report.
 - r) Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - s) The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - t) We have charged costs to federal and state awards in accordance with applicable cost principles.
 - u) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- 26) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 27) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 28) We have identified and disclosed to you all instances, of identified and suspected fraud and noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the consolidated financial statements.
- 29) We have developed processes and controls to identify and evaluate whether conditions or events exist that raise substantial doubt about the organization's ability to continue as a going concern. We have performed this assessment and there are no material uncertainties that may cast significant doubt about the organization's ability to continue as a going concern through one year after the consolidated financial statement issuance date.

Mark Churchill

Mark Churchill
Director of Finance

Mark E. DL

Mathew John
Chief Operating Officer



James Stewart
Vice President of Programs