

**Foster Care Review, Inc.**  
**D/B/A Florida Foster Care Review**  
**(Not-For-Profit Organization)**  
**Financial Statements and Supplementary Information**  
**June 30, 2020**

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**ZOMMA GROUP**  
CPAs AND CONSULTANTS

**Independent Auditor's Report**

To the Board of Directors of  
Foster Care Review, Inc. D/B/A Florida Foster Care Review

We have audited the accompanying financial statements of Foster Care Review, Inc. D/B/A Florida Foster Care Review (a not-for-profit organization), hereafter referred to as the 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.

**Auditor's Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements referred to on page 1 present fairly, in all material respects, the financial position of Foster Care Review, Inc. D/B/A Florida Foster Care Review 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 federal, state and local assistance 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.

### **Prior Period Financial Statements**

ZOMMA Group, LLP demerged from Prager Metis CPAs, LLC on January 1, 2020. Prager Metis CPAs, LLC previously audited Foster Care Review, Inc. D/B/A Florida Foster Care Review's financial statements as of and for the year ended June 30, 2019, and expressed an unmodified audit opinion on those audited financial statements in the report dated September 20, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2020 on our consideration of Foster Care Review, Inc. D/B/A Florida Foster Care Review's 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 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 Foster Care Review, Inc. D/B/A Florida Foster Care Review's internal control over financial reporting and compliance.

### ***ZOMMA Group, LLP***

ZOMMA Group, LLP  
Coral Gables, Florida  
September 24, 2020

Foster Care Review, Inc. D/B/A Florida Foster Care Review  
(Not-For-Profit Organization)  
Statements of Financial Position  
June 30, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 470,014	\$ 241,183
Grants and other receivables	151,826	153,873
Prepaid expenses	<u>18,744</u>	<u>16,399</u>
Total current assets	<b>640,584</b>	411,455
Property and equipment, net	34,908	34,854
Other assets		
Cash set aside for long-term savings purposes	<u>300,000</u>	<u>300,000</u>
<b>Total assets</b>	<b><u>\$ 975,492</u></b>	<b><u>\$ 746,309</u></b>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 72,893	\$ 56,803
Deferred revenue	4,503	-
Current portion of long term debt	<u>75,000</u>	<u>-</u>
<b>Total current liabilities</b>	<b>152,396</b>	56,803
<b>Long term debt, net of current portion</b>	<b>150,500</b>	-
<b>Net assets</b>		
Without donor restrictions:		
Other net assets	372,596	389,506
Board designated for long-term savings purposes	<u>300,000</u>	<u>300,000</u>
<b>Total net assets</b>	<b><u>672,596</u></b>	<b><u>689,506</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 975,492</u></b>	<b><u>\$ 746,309</u></b>

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

Foster Care Review, Inc. D/B/A Florida Foster Care Review  
(Not-For-Profit Organization)  
Statements of Activities  
Years Ended June 30, 2020 and 2019

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	<b>Without</b>	
	<b>Donor Restrictions</b>	
	<b>2020</b>	<b>2019</b>
<b>Public support</b>		
Grants – Federal and State	\$ 837,660	\$ 783,152
– Local	90,022	87,021
Private grants	98,921	170,809
Endowment fund (Note 10)	38,549	37,720
United Way	55,250	55,250
United Way – donor options	5,589	7,549
Special events (net of direct costs of \$49,338 for 2020 and \$63,537 for 2019)	163,098	177,960
Contributions	191,225	40,889
Interest and miscellaneous	2,122	263
In-kind services	281,095	327,309
	<u>1,763,531</u>	<u>1,687,922</u>
<b>Functional expenses</b>		
Program services	1,636,114	1,530,136
General and support services	126,251	105,642
Fundraising	18,076	41,810
	<u>1,780,441</u>	<u>1,677,588</u>
<b>Net changes in net assets</b>	<b>(16,910)</b>	10,334
Net assets – beginning of year	<u>689,506</u>	<u>679,172</u>
<b>Net assets – end of year</b>	<b><u>\$ 672,596</u></b>	<b><u>\$ 689,506</u></b>

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

Foster Care Review, Inc. D/B/A Florida Foster Care Review  
(Not-For-Profit Organization)  
Statements of Functional Expenses  
Year Ended June 30, 2020  
(With Summarized Comparative Totals for 2019)

	Program Expenses			Supporting Services		Totals	
	Citizen Review Panel	Permanency Round Table	Total Program Expenses	Fundraising	General and Support Services	2020	2019
<b>Personnel costs</b>							
Salaries	\$ 702,731	\$ 306,515	\$ 1,009,246	\$ 7,769	\$ 38,844	\$ 1,055,859	\$ 930,655
Payroll taxes and fringe benefits	144,983	65,056	210,039	1,071	21,504	232,614	182,049
<b>Total personnel costs</b>	847,714	371,571	1,219,285	8,840	60,348	1,288,473	1,112,704
<b>Other expenses</b>							
Professional services	18,334	7,943	26,277	4,410	28,020	58,707	79,532
Marketing/Promotion	7,596	3,447	11,043	3,708	4,433	19,184	16,305
Travel and conferences	1,465	4,686	6,151	-	984	7,135	10,435
Insurance	11,016	5,604	16,620	-	1,974	18,594	13,037
Licenses and fees	731	403	1,134	-	5,478	6,612	7,455
Information Technology	21,598	4,842	26,440	282	4,724	31,446	29,262
General office expenses/supplies	12,079	3,124	15,203	216	2,572	17,991	24,986
Occupancy costs	7,207	2,414	9,621	260	1,475	11,356	12,532
Telecommunication/telephones	16,635	6,513	23,148	360	2,044	25,552	27,351
Volunteer expenses	7,224	192	7,416	-	-	7,416	11,323
Depreciation	3,440	2,064	5,504	-	1,376	6,880	5,357
In-kind services and other	246,191	22,081	268,272	-	12,823	281,095	327,309
<b>Total functional expenses</b>	<u>\$ 1,201,230</u>	<u>\$ 434,884</u>	<u>\$ 1,636,114</u>	<u>\$ 18,076</u>	<u>\$ 126,251</u>	<u>\$ 1,780,441</u>	<u>\$ 1,677,588</u>

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

Foster Care Review, Inc. D/B/A Florida Foster Care Review  
(Not-For-Profit Organization)  
Statements of Cash Flows  
Years Ended June 30, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Cash received from grants and revenues	\$ 1,484,483	\$ 1,419,529
Cash paid to suppliers and employees	<u>(1,474,218)</u>	<u>(1,348,449)</u>
<b>Net cash provided by operating activities</b>	<b>10,265</b>	71,080
<b>Cash flows used in investing activities</b>		
Purchase of property and equipment	<u>(6,934)</u>	<u>(6,250)</u>
<b>Cash flows from financing activities</b>		
Borrowings of long term debt	<u>225,500</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<b>228,831</b>	64,830
Cash and cash equivalents – beginning of year	<u>241,183</u>	<u>176,353</u>
<b>Cash and cash equivalents – end of year</b>	<b>\$ 470,014</b>	<b>\$ 241,183</b>
<b>Reconciliation of net income (loss) to net cash from operating activities</b>		
Change in net assets	\$ (16,910)	\$ 10,334
Add items which do not affect cash		
Depreciation	6,880	5,357
Add or (deduct) changes in operating assets and liabilities		
Deferred revenue	4,503	-
Grant and other receivables	2,047	58,916
Prepaid expenses	(2,345)	(5,465)
Accounts payable and accrued expenses	<u>16,090</u>	<u>1,938</u>
<b>Net cash provided by operating activities</b>	<b>\$ 10,265</b>	<b>\$ 71,080</b>

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

**Note 1 Organization and Purpose**

Foster Care Review, Inc. (the “Organization”) was incorporated in the state of Florida in 1989 as a not-for-profit organization. The Organization promotes the safety, well-being, and long-term success of abused and neglected children through volunteer-driven case reviews and system-level advocacy. The Organization’s core program, the Citizen Review Panel Program, employs trained volunteers who conduct statutorily required case reviews of children involved with Miami’s juvenile dependency (child welfare) court. In July 2014 the Organization began the Permanency Roundtable Program, a program based on a national model focused on strategically seeking and linking foster children and youth with adoptive or otherwise permanent families.

**Note 2 Summary of Significant Accounting Policies**

**Basis of Financial Statements Presentation**

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net Assets without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

*Net Assets with Donor Restrictions* – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Comparative Financial Statements**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. In addition, the statement of functional expenses includes prior year summarized information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2019, from which the summarized information was derived.

**Note 2 Summary of Significant Accounting Policies (continued)**

**Use of Estimates**

In preparing the financial statements of the Organization, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as of the statement of financial position date, and the revenues and expenses for the period then ended. Actual results could differ from those estimates. A description of some of the estimates used in the preparation of the financial statements is included in the following significant accounting policies.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

**Grant Receivable**

The Organization considers the grant receivable to be collectible; accordingly, no allowance for doubtful accounts is required. When amounts are determined to be uncollectible, they are charged to operations.

**Property and Equipment**

Property and equipment is recorded at cost when purchased or constructed, or at fair market value when donated. Depreciation is included in the statement of activities and is computed on the straight-line basis over the estimated useful life of the assets. The Organization capitalizes all expenditures in excess of \$1,000 for property and equipment at cost. Donations of property and equipment are reported as without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Expenditures for major renewals and betterment that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

**Impairment**

Long-lived assets are reviewed for impairment when circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying value is impaired, the long-lived assets will be written down to their fair market value with a corresponding charge to earnings. No such impairment was recorded for the years ended June 30, 2020 and 2019.

**Donated Space and Services**

Donated space and services are reflected in the accompanying statement of activities at their fair value. Donated space absent donor restrictions are recorded as net assets without restrictions. Donated services are reflected provided that they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation as required for recognition under general accepted accounting principles (see Note 9).

**Note 2 Summary of Significant Accounting Policies (continued)**

**Functional Allocation of Expenses**

The costs of providing various program and supporting activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on the full time employee equivalent.

**Measurement of Operations**

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**Income Taxes**

The Organization is organized as a not-for-profit entity and is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Unrelated business income, of which the Organization had none for the years ended June 30, 2020 and 2019, would be subject to federal income taxes. The Organization's information returns filed with the Internal Revenue Service have not been examined in the past. The Organization is not aware of any uncertainties that could jeopardize its not-for-profit status. Therefore, no provision or liability for income taxes is deemed necessary.

The Organization follows the provisions of uncertain tax provisions addressed by ASC 740-10 *Accounting For Uncertainty in Income Taxes*. The Organization has no uncertain tax positions at June 30, 2020, for which the ultimate deductibility is highly certain but for which there are uncertainty about the timing of such deductibility. The Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expense. The Organization has determined that no amount is required to be accrued for taxes or related penalties and interest for any tax position taken through June 30, 2020.

**Recent Accounting Pronouncements**

Leases

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, which will require leases to be recorded as an asset on the balance sheet for the right to use the leased asset and a liability for the corresponding lease obligation for leases with terms of more than twelve months. ASU 2016-02 is effective for non-public companies for fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization will implement the new changes, if any, for the year ended June 30, 2021.

**Note 2 Summary of Significant Accounting Policies (continued)**

**Recent Accounting Pronouncements (continued)**

Revenue

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. This guidance provides a five-step analysis in determining when and how revenue is recognized so that an entity will recognize revenue when it transfers promised goods and services to customers in an amount that reflects what it expects in exchange for the goods and services. It also requires more detailed disclosures. The effective date is for fiscal years beginning after December 15, 2019. The Company will implement the new changes, if any, for the year ended June 30, 2021.

**Note 3 Property and Equipment**

Property and equipment consist of the following:

	June 30,		Useful Lives (Years)
	2020	2019	
Furniture and fixtures	\$ 40,195	\$ 40,195	5
Computer equipment and software	76,878	69,944	3 to 5
	<b>117,073</b>	110,139	
Less: accumulated depreciation	82,165	75,285	
	<b>\$ 34,908</b>	<b>\$ 34,854</b>	

Depreciation expense for the years ending June 30, 2020 and 2019 totaled \$6,880 and \$5,357, respectively.

**Note 4 Long Term Debt**

In May 2020, the Organization received loan proceeds in the amount of \$225,500 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides loans to businesses for amounts based on the average monthly payroll expenses of the qualifying business. The loan matures on May 2022 at a 1% annual interest rate payable monthly commencing December 2020. The Organization intends to use the entire loan amount for qualifying expenses, which include payroll costs, rent payments, covered utilities, etc. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

The non-current portion of the debt amounts to \$150,500 for year ending June 30, 2022.

**Note 5 Commitments and Contingencies**

**Commitments**

In April 2016, the Organization relocated its facilities and received donated space at this location. Rental expense for the years ended June 30, 2020 and 2019 amounted to \$94,979 and \$81,864, inclusive of approximately \$78,000 and \$64,000 donated space, respectively.

The Organization is obligated under a new equipment lease which expires in March 2021. The minimum rental commitment under this operating lease approximates \$5,900 for year ending June 30, 2021.

**Contingencies**

Expenses reflected in the accompanying financial statements relating to government programs are subject to audit by the respective grantor. The possible disallowance by the related Organization of any item charged to the program cannot be determined at this time. No provision for any liability that may result has been made to the financial statements. Management is of the opinion that no material liability will result from such audits.

**Note 6 Credit Risk**

At times during the year, the Organization's cash balances were in excess of the federal insured limits of \$250,000. At June 30, 2020 and 2019, the Organization's uninsured cash balances approximated \$274,000 and \$14,000, respectively. However, the Organization maintains its cash with a high quality financial institution which the Organization believes limits these risks.

**Note 7 Employees' 403(b) Plan**

The Organization has a 403(b) Thrift Plan. This plan is a voluntary retirement savings program eligible to all full-time employees. Such plan provides for the Organization to match up to 3% of the employee's annual salary providing that the employee is eligible for the plan benefits. The Organization contributed \$22,466 and \$17,339 for the years ended June 30, 2020 and 2019, respectively.

**Note 8 Business and Credit Concentration**

The Organization's services are substantially paid for by government grants. For the years ended June 30, 2020 and 2019, the Organization's revenues derived from federal, state and local grants approximate 63% and 64% of total revenues and contributions, net of donated services, for each respective year.

**Note 9 In-Kind Services and Other**

The majority of in-kind services reflected as direct program costs in the accompanying Statement of Functional Expenses include the fair market value of volunteer hours for services required in order to operate the Citizen Review Panel. Such services are similar to those provided by Circuit Court General Masters and Judges whose mean hourly wage in the State of Florida approximates \$69. The value of these donated services for the years ended June 30, 2020 and 2019 amounted to \$199,162 and \$260,955, respectively.

The Organization also received contributed professional services during the years ended June 30, 2020 and 2019, with a fair value on the dates of donation of approximately \$3,800 and \$2,100, respectively. In addition, they received donated office space with a fair value of approximately \$78,000 and \$64,000, respectively.

**Note 10 Designated for Endowment Fund**

The Organization has been named the beneficiary of an endowment fund held and controlled by North Dade Medical Foundation, Inc. Funds from this endowment are to be disbursed to the Organization at a minimum of 5% of the market value of the fund. Such funds are to be used for the general support of the Organization's programs.

**Note 11 Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets as of June 30, 2020 and 2019, reduced by the amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>2020</u>	<u>2019</u>
Current assets, excluding non-financial assets	\$ <b>640,584</b>	\$ 411,455
Less: donor restrictions for specific purposes	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ <b>640,584</b></u>	<u>\$ 411,455</u>

As part of the Organization's liquidity management plan the board of directors has set aside \$300,000 which may be drawn upon, if necessary, to meet unexpected liquidity needs or in the event of financial distress.

**Note 12 Subsequent Events**

Subsequent events have been evaluated through September 24, 2020, which is the date the financial statements were available to be issued.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial position, liquidity, and future changes in net assets.

## **Supplementary Information**

Foster Care Review, Inc. D/B/A Florida Foster Care Review  
(Not-For-Profit Organization)  
Schedule I – Schedule of Federal, State and Local Financial Assistance  
Year Ended June 30, 2020

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Federal/State/Local Agency Pass-Through Entity Federal Program/State/Local Project	CFDA/ CSFA Number	Contract Grant Number	Expenditures
<b>Federal agency</b>			
<b>U.S. Department of Health and Human Services</b>			
<i>Passed through State of Florida Department of Children and Families and Citrus Health Network, Inc.</i>			
Permanency Roundtables	Unknown	19-03	\$ 75,600
<b>U.S. Department of Health and Human Services</b>			
<i>Passed through State of Florida Department of Children and Families</i>			
Foster Care Title IV-E	93.658	KJ141	<u>79,500</u>
<b>Total Federal Agencies</b>			<u>155,100</u>
<b>State agencies</b>			
<b>State of Florida Justice Administrative Commission</b>			
Foster Care – Citizen Review Board	21.003	JACF8	618,160
<b>Florida Department of Children and Families</b>			
<i>Passed through Citrus Health Network, Inc.</i>			
Permanency Roundtables	Unknown	19-03	<u>64,400</u>
<b>Total State Agencies</b>			<u>682,560</u>
<b>Local agencies</b>			
<b>Miami-Dade County</b>			
Citizen Review Panel Program		20-FOST	35,995
<b>Educate Tomorrow</b>		1821-2320	<u>54,027</u>
<b>Total Local Agencies</b>			<u>90,022</u>
<b>Total expenditures of financial assistance</b>			<u>\$ 927,682</u>

## **Reporting Section**



**Independent Auditor’s Report on Internal Control  
Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of  
Foster Care Review, Inc. D/B/A Florida Foster Care Review

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Foster Care Review, Inc. (a not-for-profit organization) (the 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, and have issued our report thereon dated September 24, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the 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 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 financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization’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 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.

## ***ZOMMA Group, LLP***

ZOMMA Group, LLP  
Coral Gables, Florida  
September 24, 2020

BOARD OF DIRECTORS

**Lynne Kafka, Esq.**  
Attorney  
President

**Michelle Weber, MBA**  
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September 24, 2020

Gentlemen:

This representation letter is provided in connection with your audit of the financial statements of Foster Care Review, Inc. D/B/A Florida Foster Care Review (the 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, for the purpose of expressing an opinion as to whether the 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 September 24, 2020, the following representations made to you during your audit.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 8, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The 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 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. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7. All events subsequent to the date of the financial statements, including the COVID-19 pandemic, for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
11. In regard to the financial statement and tax preparation services performed by you, we have-
  - a. Assumed all management responsibilities.
  - b. Designated an individual (within senior management) who has suitable skill, knowledge, or experience to oversee the services.
  - c. Evaluated the adequacy and results of the services performed.
  - d. Accepted responsibility for the results of the services.

### **Information Provided**

12. 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 financial statements, such as records, documentation, and other matters.
  - 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.
14. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
15. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
16. 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 financial statements.

17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
18. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse whose effects should be considered when preparing financial statements.
19. 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 financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
20. We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.
21. 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.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
23. Foster Care Review, Inc. D/B/A Florida Foster Care Review 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.
24. The Organization has been named the beneficiary of an endowment fund held and controlled by North Dade Medical Foundation, Inc. Funds from this endowment are to be disbursed to the Organization at a minimum of 5% of the market value of the fund. Such funds are to be used for the general support of the Organization's programs.
25. We acknowledge our responsibility for the supplementary information in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Very truly yours,



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Candice Maze, Executive Director