

Foster Care Review, Inc.
D/B/A Florida Foster Care Review
(Not-For-Profit Organization)
Financial Statements and Supplementary Information
June 30, 2021

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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, 2021, 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, 2021, 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

Report on Supplementary 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.

Report on Summarized Comparative Information

We have previously audited the Foster Care Review, Inc. D/B/A Florida Foster Care Review's financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, 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 28, 2021 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 28, 2021

Foster Care Review, Inc. D/B/A Florida Foster Care Review
(Not-For-Profit Organization)
Statements of Financial Position
June 30, 2021 and 2020

| | 2021 | 2020 |
|---|-------------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 293,012 | \$ 470,014 |
| Grants and other receivables | 181,942 | 151,826 |
| Prepaid expenses | 22,089 | 18,744 |
| Total current assets | 497,043 | 640,584 |
| Property and equipment, net | 30,813 | 34,908 |
| Other assets | | |
| Cash set aside for long-term savings purposes | 300,000 | 300,000 |
| Total assets | \$ 827,856 | \$ 975,492 |
| Liabilities and net assets | | |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | \$ 78,134 | \$ 72,893 |
| Deferred revenue | - | 4,503 |
| Current portion of long term debt | - | 75,000 |
| Total current liabilities | 78,134 | 152,396 |
| Long term debt, net of current portion | - | 150,500 |
| Net assets | | |
| Without donor restrictions: | | |
| Other net assets | 449,722 | 372,596 |
| Board designated for long-term savings purposes | 300,000 | 300,000 |
| Total net assets | 749,722 | 672,596 |
| Total liabilities and net assets | \$ 827,856 | \$ 975,492 |

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
For the Years Ended June 30, 2021 and 2020

| | Without Donor Restrictions | |
|---|---------------------------------------|-------------------|
| | 2021 | 2020 |
| Public support | | |
| Grants – Federal and State | \$ 792,550 | \$ 837,660 |
| – Local | 85,475 | 90,022 |
| Private grants | 134,629 | 98,921 |
| Endowment fund (Note 10) | 38,878 | 38,549 |
| United Way | 55,252 | 55,250 |
| United Way – donor options | 7,391 | 5,589 |
| Special events (net of direct costs of \$55,242 for 2021 and \$49,338 for 2020) | 195,193 | 163,098 |
| Contributions | 54,378 | 191,225 |
| Interest and miscellaneous | 10,976 | 2,122 |
| In-kind services and other | 270,293 | 281,095 |
| Total public support | 1,645,015 | 1,763,531 |
| Functional expenses | | |
| Program services | 1,655,916 | 1,636,114 |
| General and support services | 109,083 | 126,251 |
| Fundraising | 28,390 | 18,076 |
| Total functional expenses | 1,793,389 | 1,780,441 |
| Deficiency of public support over expenses | (148,374) | (16,910) |
| Other changes in net assets | | |
| Paycheck protection program funds | 225,500 | - |
| Change in net assets | 77,126 | (16,910) |
| Net assets – beginning of year | 672,596 | 689,506 |
| Net assets – end of year | \$ 749,722 | \$ 672,596 |

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
For the Year Ended June 30, 2021
(With Summarized Comparative Totals for 2020)

| | Program Expenses | | | Supporting Services | | Totals | |
|-----------------------------------|---------------------|-------------------|---------------------|---------------------|------------------------------------|---------------------|---------------------|
| | Citizen | Permanency | Total | Fundraising | General and Support Services | 2021 | 2020 |
| | Review Panel | Round Table | Program Expenses | | | | |
| Personnel costs | | | | | | | |
| Salaries | \$ 640,777 | \$ 408,727 | \$ 1,049,504 | \$ 20,128 | \$ 43,995 | \$ 1,113,627 | \$ 1,055,859 |
| Payroll taxes and fringe benefits | 143,080 | 83,729 | 226,809 | 2,034 | 4,964 | 233,807 | 232,614 |
| Total personnel costs | 783,857 | 492,456 | 1,276,313 | 22,162 | 48,959 | 1,347,434 | 1,288,473 |
| Other expenses | | | | | | | |
| Professional services | 14,854 | 6,062 | 20,916 | - | 28,116 | 49,032 | 58,707 |
| Marketing/Promotion | 1,786 | 1,419 | 3,205 | 5,269 | 3,704 | 12,178 | 19,184 |
| Travel and conferences | 750 | 1,080 | 1,830 | - | 35 | 1,865 | 7,135 |
| Insurance | 11,537 | 6,305 | 17,842 | - | 4,051 | 21,893 | 18,594 |
| Licenses and fees | 42 | 14 | 56 | - | 6,355 | 6,411 | 6,612 |
| Information Technology | 22,525 | 7,883 | 30,408 | 459 | 1,110 | 31,977 | 31,446 |
| General office expenses/supplies | 6,569 | 3,530 | 10,099 | - | 2,824 | 12,923 | 17,991 |
| Occupancy costs | 1,653 | 200 | 1,853 | - | 293 | 2,146 | 11,356 |
| Telecommunication/telephones | 15,699 | 5,744 | 21,443 | 500 | 3,929 | 25,872 | 25,552 |
| Volunteer expenses | 1,788 | - | 1,788 | - | - | 1,788 | 7,416 |
| Depreciation | 4,869 | 2,840 | 7,709 | - | 407 | 8,116 | 6,880 |
| In-kind services and other | 238,939 | 23,515 | 262,454 | - | 9,300 | 271,754 | 281,095 |
| Total functional expenses | <u>\$ 1,104,868</u> | <u>\$ 551,048</u> | <u>\$ 1,655,916</u> | <u>\$ 28,390</u> | <u>\$ 109,083</u> | <u>\$ 1,793,389</u> | <u>\$ 1,780,441</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
For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|---------------------|-------------------|
| Cash flows from operating activities | | |
| Cash received from grants and revenues | \$ 1,342,839 | \$ 1,484,483 |
| Cash paid to suppliers and employees | (1,515,820) | (1,474,218) |
| Net cash provided by (used in) operating activities | (172,981) | 10,265 |
| Cash flows used in investing activities | | |
| Purchase of property and equipment | (4,021) | (6,934) |
| Cash flows from financing activities | | |
| Proceeds from Paycheck Protection Program borrowing | - | 225,500 |
| Net increase (decrease) in cash and cash equivalents | (177,002) | 228,831 |
| Cash and cash equivalents – beginning of year | 470,014 | 241,183 |
| Cash and cash equivalents – end of year | \$ 293,012 | \$ 470,014 |
| Reconciliation of net income (loss) to net cash from operating activities | | |
| Change in net assets | \$ 77,126 | \$ (16,910) |
| Add items which do not affect cash | | |
| Depreciation | 8,116 | 6,880 |
| Forgiveness of PPP loan | (225,500) | - |
| Add or (deduct) changes in operating assets and liabilities | | |
| Deferred revenue | (4,503) | 4,503 |
| Grant and other receivables | (30,116) | 2,047 |
| Prepaid expenses | (3,345) | (2,345) |
| Accounts payable and accrued expenses | 5,241 | 16,090 |
| Net cash provided by (used in) operating activities | \$ (172,981) | \$ 10,265 |

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. There were no such assets as of June 30, 2021 and 2020.

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, 2020, 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, 2021 and 2020.

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, 2021 and 2020, 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, 2021, 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, 2021.

Recent Accounting Pronouncements

The Organization has adopted Accounting Standards Update ("ASU") No. 2014-09 – *Revenue from Contract Customers* (Topic 606), as amended. This ASU introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization implemented such ASU as of January 1, 2020, due to the fact that such standard was delayed one year as a result of the COVID-19 Pandemic. The adoption of this accounting standard did not have an impact on the Organization's financial position or changes in its net assets.

Note 2 Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

The Organization has adopted Accounting Standards Update No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 605). The FASB issued this ASU to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounting for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization has adopted such ASU as of January 1, 2020. There was no impact to net assets or changes in net assets.

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, 2021, with early adoption permitted. The Organization will implement the new changes, if any, for the year ended June 30, 2023, if applicable.

Note 3 Property and Equipment

Property and equipment consist of the following:

| | June 30, | | Useful |
|---------------------------------|-----------|-----------|---------|
| | 2021 | 2020 | Lives |
| | | | (Years) |
| Furniture and fixtures | \$ 40,195 | \$ 40,195 | 5 |
| Computer equipment and software | 80,899 | 76,878 | 3 to 5 |
| | 121,094 | 117,073 | |
| Less: accumulated depreciation | 90,281 | 82,165 | |
| | \$ 30,813 | \$ 34,908 | |

Depreciation expense for the years ending June 30, 2021 and 2020 totaled \$8,116 and \$6,880, respectively.

Note 4 Paycheck Protection Program Funds

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 Organization used the entire loan amount for qualifying expenses. In February 2021, the loan was forgiven in full and recognized as revenue in the accompanying statement of activities.

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, 2021 and 2020 amounted to \$79,486 and \$94,979, inclusive of approximately \$78,000 of donated space for both years.

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, 2021 and 2020, the Organization’s uninsured cash balances approximated \$93,000 and \$274,000, respectively. However, the Organization maintains its cash with a high quality financial institution which the Organization believes limits these risks.

Note 7 COVID Uncertainty

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 Company’s financial position, liquidity, and future changes in net assets.

Note 8 Employees' 403(b) Plan

The Organization has a 403(b) Thrift Plan. This plan is a voluntary retirement savings program eligible to all employees. The Organization may match up to 3% of the employee's annual salary providing that the employee is eligible for the plan benefits. The Organization contributed \$14,682 and \$22,466 for the years ended June 30, 2021 and 2020, respectively. During the current year, the plan was amended and changed to a discretionary matching contribution plan.

Note 9 Business and Credit Concentration

The Organization's services are substantially paid for by government grants. For the years ended June 30, 2021 and 2020, the Organization's revenues derived from federal, state and local grants approximate 64% and 63% of total revenues and contributions, net of donated services, for each respective year.

Note 10 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 or specifically in the Miami, Ft Lauderdale, West Palm Beach Metropolitan Area has ranged from \$68 - \$84 an hour in recent years, according to the most recent data available from the U.S. Bureau of Labor Statistics. The value of these donated services for the years ended June 30, 2021 and 2020 amounted to \$191,909 and \$199,162, respectively.

During prior year the Organization received contributed professional services with a fair value on the dates of donation of approximately \$3,800. In addition, they received donated office space with a fair value of approximately \$78,000 for both years.

Note 11 Designated for Endowment Fund

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

Note 12 Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of June 30, 2021 and 2020, 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>2021</u> | <u>2020</u> |
|---|--------------------------|-------------------|
| Current assets, excluding non-financial assets | \$ 497,043 | \$ 640,584 |
| Less: donor restrictions for specific purposes | <u>-</u> | <u>-</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 497,043</u> | <u>\$ 640,584</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 13 Subsequent Events

Subsequent events have been evaluated through September 28, 2021, which is the date the financial statements were available to be issued.

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
For the Year Ended June 30, 2021**

| Federal/State/Local Agency Pass-Through Entity Federal Program/State/Local Project | CFDA/ CSFA Number | Contract Grant Number | Expenditures |
|--|-------------------------|-----------------------------|--------------------------|
| Federal Agency | | | |
| U.S. Department of Health and Human Services | | | |
| <i>Passed through State of Florida Department of Children and Families and Citrus Health Network, Inc.</i> | | | |
| Foster Care - Title IV-E | 93.658 | 20-26 and 20-54 | \$ 52,841 |
| Adoption Assistance | 93.659 | 20-26 and 20-54 | 3,900 |
| Temporary Assistance to Needy Families | 93.558 | 20-26 and 20-54 | 16,673 |
| Stephanie Tubbs Jones Child Welfare Services Pgm. | 93.645 | 20-26 and 20-54 | <u>4,586</u> |
| Total Federal Agencies | | | 78,000 |
| State Agencies | | | |
| State of Florida Justice Administrative Commission | | | |
| Foster Care – Citizen Review Board | 21.003 | JACF9 | 618,160 |
| Florida Department of Children and Families | | | |
| <i>Passed through Citrus Health Network, Inc.</i> | | | |
| Permanency Roundtables | Unknown | 20-26 and 20-54 | <u>96,390</u> |
| Total State Agencies | | | 714,550 |
| Local Agencies | | | |
| Miami-Dade County | | | |
| Citizen Review Panel Program | | 20-FOST | 36,000 |
| Educate Tomorrow | | 1821-2320 | <u>49,475</u> |
| Total Local Agencies | | | <u>85,475</u> |
| Total expenditures of financial assistance | | | <u><u>\$ 878,025</u></u> |

Reporting Section



ZOMMA GROUP
CPAs AND CONSULTANTS

**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, 2021, 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 28, 2021.

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 28, 2021

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September 28, 2021

ZOMMA Group, LLP
355 Alhambra Circle, Suite 1100
Coral Gables, Florida 33134

Ladies and 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, 2021, 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 28, 2021, 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 9, 2021, 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, 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,


Candice Maze, Executive Director