

**Foster Care Review, Inc.**  
**D/B/A Florida Foster Care Review**  
**(Not-For-Profit Organization)**  
**Financial Statements and Supplementary Information**  
**June 30, 2022**

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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

### Opinion

We have audited the accompanying financial statements of Foster Care Review, Inc. D/B/A Florida Foster Care Review (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements 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, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Foster Care Review, Inc. D/B/A Florida Foster Care Review and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Foster Care Review, Inc. D/B/A Florida Foster Care Review's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 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 Foster Care Review, Inc. D/B/A Florida Foster Care Review's 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Foster Care Review, Inc. D/B/A Florida Foster Care Review's 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 Matters**

### *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 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 October 17, 2022 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**

Coral Gables, Florida  
October 17, 2022

**Foster Care Review, Inc. D/B/A Florida Foster Care Review**  
**(Not-For-Profit Organization)**  
**Statements of Financial Position**  
**June 30, 2022 and 2021**

	2022	2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 60,710	\$ 293,012
Grants and other receivables	154,554	181,942
Prepaid expenses	27,291	22,089
Total current assets	242,555	497,043
Property and equipment, net	25,212	30,813
Other assets		
Cash set aside for long-term savings purposes	300,000	300,000
<b>Total assets</b>	<b>\$ 567,767</b>	<b>\$ 827,856</b>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 45,114	\$ 78,134
Deferred revenue	48,070	-
Total current liabilities	93,184	78,134
<b>Net assets</b>		
Without donor restrictions:		
Other net assets	174,583	449,722
Board designated for long-term savings purposes	300,000	300,000
<b>Total net assets</b>	474,583	749,722
<b>Total liabilities and net assets</b>	<b>\$ 567,767</b>	<b>\$ 827,856</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**  
**For the Years Ended June 30, 2022 and 2021**

	<b>Without Donor Restrictions</b>	
	<b>2022</b>	<b>2021</b>
<b>Public support</b>		
Grants – Federal and State	\$ 963,875	\$ 792,550
– Local	90,084	85,475
Private grants	158,543	134,629
Endowment fund (Note 10)	39,084	38,878
United Way	55,250	55,252
United Way – donor options	5,642	7,391
United Way – REDI (Race Equity Diversity & Inclusion)	28,000	-
Special events (net of direct costs of \$54,219 for 2022 \$55,242 for 2021)	204,681	195,193
Contributions	65,873	54,378
Interest and miscellaneous	2,558	10,976
In-kind services and other	293,296	270,293
	<b>1,906,886</b>	<b>1,645,015</b>
<b>Functional expenses</b>		
Program services	1,971,919	1,655,916
General and support services	115,748	109,083
Fundraising	94,358	28,390
	<b>2,182,025</b>	<b>1,793,389</b>
Deficiency of public support over expenses	<b>(275,139)</b>	<b>(148,374)</b>
<b>Other changes in net assets</b>		
Paycheck protection program funds	-	225,500
<b>Change in net assets</b>	<b>(275,139)</b>	<b>77,126</b>
Net assets – beginning of year	<b>749,722</b>	<b>672,596</b>
<b>Net assets – end of year</b>	<b>\$ 474,583</b>	<b>\$ 749,722</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  
For the Year Ended June 30, 2022  
(With Summarized Comparative Totals for 2021)**

	Program Expenses			Supporting Services		Totals	
	Citizen Review Panel	Permanency Round Table	Total Program Expenses	Fundraising	General and Support Services	2022	2021
<b>Personnel costs</b>							
Salaries	\$ 672,114	\$ 604,612	\$ 1,276,726	\$ 27,489	\$ 33,770	\$ 1,337,985	\$ 1,113,627
Payroll taxes and fringe benefits	129,723	122,714	252,437	6,561	8,665	267,663	233,807
<b>Total personnel costs</b>	<b>801,837</b>	<b>727,326</b>	<b>1,529,163</b>	<b>34,050</b>	<b>42,435</b>	<b>1,605,648</b>	<b>1,347,434</b>
<b>Other expenses</b>							
Professional services	25,245	25,796	51,041	54,375	33,045	138,461	49,032
Marketing/Promotion	4,798	2,754	7,552	4,719	6,001	18,272	12,178
Travel and conferences	2,094	986	3,080	-	655	3,735	1,865
Insurance	10,197	12,090	22,287	-	2,018	24,305	21,893
Licenses and fees	601	353	954	-	6,890	7,844	6,411
Information Technology	17,927	12,930	30,857	1,214	2,179	34,250	31,977
General office expenses/supplies	5,603	3,795	9,398	-	1,164	10,562	12,923
Occupancy costs	8,886	4,575	13,461	-	826	14,287	2,146
Telecommunication/telephones	10,780	7,974	18,754	-	1,759	20,513	25,872
Volunteer expenses	2,665	-	2,665	-	-	2,665	1,788
Depreciation	4,093	3,275	7,368	-	819	8,187	8,116
In-kind services and other	239,424	35,915	275,339	-	17,957	293,296	271,754
<b>Total functional expenses</b>	<b>\$ 1,134,150</b>	<b>\$ 837,769</b>	<b>\$ 1,971,919</b>	<b>\$ 94,358</b>	<b>\$ 115,748</b>	<b>\$ 2,182,025</b>	<b>\$ 1,793,389</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 Cash Flows**  
**For the Years Ended June 30, 2022 and 2021**

	2022	2021
<b>Cash flows from operating activities</b>		
Cash received from grants and revenues	\$ 1,640,978	\$ 1,342,839
Cash paid to suppliers and employees	<u>(1,870,694)</u>	<u>(1,515,820)</u>
<b>Net cash used in operating activities</b>	<b>(229,716)</b>	<b>(172,981)</b>
 <b>Cash flows used in investing activities</b>		
Purchase of property and equipment	<u>(2,586)</u>	<u>(4,021)</u>
 <b>Net decrease in cash and cash equivalents</b>	<b>(232,302)</b>	<b>(177,002)</b>
 Cash and cash equivalents – beginning of year	<u>293,012</u>	<u>470,014</u>
 <b>Cash and cash equivalents – end of year</b>	<b><u>\$ 60,710</u></b>	<b><u>\$ 293,012</u></b>
 <b>Reconciliation of net income (loss) to net cash from operating activities</b>		
Change in net assets	\$ (275,139)	\$ 77,126
Add items which do not affect cash		
Depreciation	8,187	8,116
Forgiveness of PPP loan	-	(225,500)
Add or (deduct) changes in operating assets and liabilities		
Deferred revenue	48,070	(4,503)
Grant and other receivables	27,388	(30,116)
Prepaid expenses	(5,202)	(3,345)
Accounts payable and accrued expenses	<u>(33,020)</u>	<u>5,241</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ (229,716)</u></b>	<b><u>\$ (172,981)</u></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. There were no such assets as of June 30, 2022 and 2021.

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, 2021, 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, 2022 and 2021.

**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 8).

**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.

**Deferred Revenue**

Deferred revenue represents revenues collected but not earned as of June 30, 2022. This is primarily composed of revenue for a fundraising event hosted in the incoming year.

**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, 2022 and 2021, 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, 2022, 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, 2022.

**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, 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,	
	2022	2021
Furniture and fixtures	\$ 40,195	\$40,195
Computer equipment and software	83,485	80,899
	123,680	121,094
Less: accumulated depreciation	98,468	90,281
	\$ 25,212	\$ 30,813

Depreciation expense for the years ending June 30, 2022 and 2021 totaled \$8,187 and \$8,116, respectively.

**Note 4 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, 2022 and 2021 amounted to \$91,618 and \$79,486, 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 5 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, 2022 and 2020, the Organization's uninsured cash balances approximated \$15,000 and \$93,000, respectively. However, the Organization maintains its cash with a high quality financial institution which the Organization believes limits these risks.

**Note 6 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 for the year ended June 30, 2021. During prior year, the plan was amended and changed to a discretionary matching contribution plan. Therefore, for the year ended June 30, 2022, no contributions were made.

**Note 7 Business and Credit Concentration**

The Organization's services are substantially paid for by government grants. For the years ended June 30, 2022 and 2021, the Organization's revenues derived from federal, state and local grants approximate 65% and 64% of total revenues and contributions, net of donated services, for each respective year.

**Note 8 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, 2022 and 2021 amounted to \$203,509 and \$191,909, respectively.

During current year the Organization received contributed professional services with a fair value on the dates of donation of approximately \$11,400. In addition, they received donated office space with a fair value of approximately \$78,000 for both years.

**Note 9 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 10 Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets as of June 30, 2022 and 2021, 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>2022</u>	<u>2021</u>
Current assets, excluding non-financial assets	\$ 242,555	\$ 497,043
Less: donor restrictions for specific purposes	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 242,555</u>	<u>\$ 497,043</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 11 Subsequent Events**

Subsequent events have been evaluated through October 17 2022, which is the date the financial statements were available to be issued.

## **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, 2022, 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 October 17, 2022.

**Report on 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.



## **Report on 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**

Coral Gables, Florida  
October 17, 2022

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October 17, 2022

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. (the Organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 October 17, 2022, 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 August 25, 2022, 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 uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
11. Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
12. As part of your audit, you assisted with the preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.

### **Information Provided**

13. 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 have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
  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. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
  24. Foster Care Review, Inc. 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.

Very truly yours,

  
Candice Maze, Executive Director