FAMILY SUPPORT SERVICES OF SUNCOAST, LLC

FINANCIAL STATEMENTS

PERIOD ENDED JUNE 30, 2022

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Partners
W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Thomas F. Regan
Ernie R. Janvrin
Richard F. Hayes
Renee C. Varga
Shawn M. Marshall

Winter Park, FL 32789
501 S. New York Ave.
Suite 100
Phone: 407-644-5811
www.mosskrusick.com

N. Palm Beach, FL 33408
631 US Highway One
Suite 405
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Suite 201
Phone: 305-445-7956

American Institute of Certified Public Accountants

Florida Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Family Support Services of Suncoast, LLC
Largo, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Family Support Services of Suncoast, LLC (a nonprofit 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 period 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 Family Support Services of Suncoast, LLC as of June 30, 2022, and the changes in its net assets and its cash flows for the period 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 contained 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 Family Support Services of Suncoast, LLC 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 Family Support Services of Suncoast, LLC'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 Family Support Services of Suncoast, LLC'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 Family Support Services of Suncoast, LLC'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.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2022, on our consideration of Family Support Services of Suncoast, LLC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Family Support Services of Suncoast, LLC's 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 Family Support Services of Suncoast LLC's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 29, 2022

FAMILY SUPPORT SERVICES OF SUNCOAST, LLC

STATEMENT OF FINANCIAL POSITION

PERIOD ENDED JUNE 30, 2022

ASSETS

CURRENT ASSETS	**2022**
Cash and cash equivalents	$ 1,612,617
Accounts receivable	427,801
Due from DCF	2,012,727
Prepaid expenses	9,966
TOTAL CURRENT ASSETS	4,063,111
Property and equipment, net	51,608
Other assets	20,000
TOTAL NON-CURRENT ASSETS	71,608
TOTAL ASSETS	$ 4,134,719

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 5,168,333
Refundable advances	1,027,098
TOTAL CURRENT LIABILITIES	6,195,431
NET ASSETS	
Without donor restrictions	(2,153,075)
With donor restrictions	92,363
TOTAL NET ASSETS	(2,060,712)
TOTAL LIABILITIES AND NET ASSETS	$ 4,134,719

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

FAMILY SUPPORT SERVICES OF SUNCOAST, LLC

STATEMENT OF ACTIVITIES

PERIOD ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Public Support			
State and federal support	$ 51,851,526	$ -	$ 51,851,526
Local support	282,842	95,363	378,205
Total public support	52,134,368	95,363	52,229,731
Revenues			
Contributed non-financial assets	13,245	-	13,245
Total support and revenues before net assets released from restrictions	52,147,613	95,363	52,242,976
Net assets released from restrictions - satisfaction of purpose restrictions	3,000	(3,000)	-
Total revenue and other support	52,150,613	92,363	52,242,976
EXPENSES			
Program services			
Child welfare services	53,801,631	-	53,801,631
Total program services	53,801,631	-	53,801,631
Supporting services			
General and administrative	502,057	-	502,057
Total supporting services	502,057	-	502,057
Total expenses	54,303,688	-	54,303,688
Change in net assets	(2,153,075)	92,363	(2,060,712)
NET ASSETS, BEGINNING OF YEAR	-	-	-
NET ASSETS, END OF YEAR	$ (2,153,075)	$ 92,363	$ (2,060,712)

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

FAMILY SUPPORT SERVICES OF SUNCOAST, LLC

STATEMENT OF FUNCTIONAL EXPENSES

PERIOD ENDED JUNE 30, 2022

	Program Services	Supporting Services	
	Child Welfare Services	General & Adminisrative	Total
Salaries and related expenses			
Salaries	$ 5,704,128	$ 379,283	$ 6,083,411
Payroll taxes and benefits	1,198,004	52,746	1,250,750
Total salaries and related expenses	6,902,132	432,029	7,334,161
Occupancy			
Rent	792,105	3,417	795,522
Telephone and data lines	65,030	65	65,095
Repairs and maintenance	28,521	-	28,521
Office equipment	103,334	-	103,334
Depreciation	4,692	-	4,692
Total occupancy	993,682	3,482	997,164
Operating expenses			
Professional services	213,034	14,905	227,939
Contributed non-financial expenses	13,245	-	13,245
Liability insurance	167,675	-	167,675
Postage	3,687	-	3,687
Office supplies	886,248	1,638	887,886
Professional development	8,566	1,158	9,724
Employee expenses	27,914	748	28,662
Dues and subscriptions	45,264	-	45,264
Staff recruiting	11,671	25,281	36,952
Staff travel	228,262	22,661	250,923
Staff cell phones	69,194	-	69,194
Vehicle expenses	9,254	155	9,409
Other expenses	3,000	-	3,000
Total operating expenses	1,687,014	66,546	1,753,560
Contract services			
Contract professional services	13,153,888	-	13,153,888
Client training services	206,187	-	206,187
Direct client assistance	40,426	-	40,426
Provider services- direct support (FSFN)	30,818,302	-	30,818,302
Total contract services	44,218,803	-	44,218,803
TOTAL EXPENSES	$ 53,801,631	$ 502,057	$ 54,303,688

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

FAMILY SUPPORT SERVICES OF SUNCOAST, LLC

STATEMENT OF CASH FLOWS

PERIOD ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	**2022**
Change in net assets	$ (2,060,712)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:	
Depreciation	4,692
Changes in operating assets and liabilities:	
Accounts receivable	(427,801)
Due from DCF	(2,012,727)
Prepaid expenses	(9,966)
Deposits	(20,000)
Accounts payable and accrued expenses	5,168,333
Refundable advances	1,027,098
Cash provided by operating activities	1,668,917
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of property and equipment	(56,300)
Cash (used in) provided by investing activities	(56,300)
Increase in cash and cash equivalents	1,612,617
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	$ 1,612,617

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

FAMILY SUPPORT SERVICES OF SUNCOAST, LLC
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – ORGANIZATION AND OPERATIONS

Family Support Services of Suncoast, LLC (the "Organization") became a private not-for-profit limited liability company under the laws of the State of Florida on December 10, 2021. The Organization acts as lead agency in providing protective services for children and their families in Pasco and Pinellas counties.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

   The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

2. Use of Estimates

   The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes there in, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to useful lives of depreciable assets, fair value measurements of investments, accrual of compensated absences, and the allocation of functional expenses.

3. Cash and Cash Equivalents

   Cash and cash equivalents includes cash and all highly liquid investments with an original maturity of 90 days or less.

4. Accounts Receivable

   Accounts receivable consist primarily of grant revenues earned but not received and are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of grantors to meet their obligations.

   Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management considers all receivables to be fully collectible; therefore no allowance has been made.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Property and Equipment

All acquisitions of property and equipment in excess of $1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expenses as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

6. Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assts with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

7. Revenue Recognition

Program services fees are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Organization recognized revenue when persuasive evidence of an arrangement existed, delivery of the products had occurred, the sales price was fixed or determinable and collectively was reasonably assured. For the period ended June 30, 2022, the Organization had no program service fee revenues.

A significant portion of the Organization's grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Revenue Recognition (continued)

   Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

8. Functional Expenses

   Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentage of time spent in each functional area. Rent and utilities are allocated based on square footage and insurance and equipment leases are allocated based on the number of full-time equivalent positions. Depreciation is allocated based on specific department or program that utilizes the equipment. Office equipment, office supplies, general postage and printing, certain professional fees and information technology are allocated based on a fixed percentage.

9. Income Taxes

   Under section 501(c)(3) of the Internal Revenue Code, Family Support Services of Suncoast, LLC is exempt from tax on income other than unrelated business income. No unrelated business income has been identified.

   The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest, penalties, accounting in interim periods, disclosure and transition. As of June 30, 2022, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

10. Subsequent Events

    Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 29, 2022. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Recent Accounting Pronouncements

Implemented:

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets, which requires the monitoring and tracking of gifts in kind by asset category, while also noting any donor-imposed restrictions. The Organization adopted ASU No. 2020-07 effective July 1, 2021. The adoption has no significant impact on the Organization's financial statements.

To be Implemented:

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases, that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The new guidance is effective for fiscal years beginning after December 15, 2021. The Organization is evaluating the potential effects ASU 2016-02 will have on its financial statements.

NOTE 3 – FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents, accounts receivable, and investments to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date because of contractual or donor-imposed restrictions.

	2022
Total assets at year end	$ 4,134,719
Less non-financial assets	
Prepaid expenses	(9,966)
Property and equipment, net	(51,608)
Other assets	(20,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,053,145

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2022
Grants receivable	$ 181,514
Due from DCF	2,012,727
Trade	246,287
Accounts Receivable, net	$ 2,440,528

There was no bad debt expense for the period ended June 30, 2022.

NOTE 5 – PROPERTY AND EQUIPMENT

Components of property and equipment for the period ended June 30, 2022, are as follows:

	Estimated Useful Lives (in years)	2022
Vehicles	5	$ 56,300
Less accumulated depreciation		(4,692)
Total property and equipment, net		$ 51,608

Depreciation expense was $4,692 for the period ended June 30, 2022.

NOTE 6 – NET ASSETS

A summary of net assets with donor restrictions is as follows:

	2022
Purpose restricted	
Foster Angels program	$ 42,168
Foster parents programs	20,556
Adoption programs	18,735
Prevention programs	9,273
Rays Foundation program	1,631
Total net assets with purpose restrictions	$ 92,363

NOTE 6 – NET ASSETS (continued)

A summary of the releases of donor restrictions follows:

	2022
Purpose restricted	
Foster parents programs	$ 3,000
Total releases of net assets with donor restrictions	$ 3,000

NOTE 7 – REVENUE

The Organization is recognizing revenue at a point in time for its program service fee revenue. There are no outstanding performance obligations to be satisfied at June 30, 2022. There is no program service fee revenue for the period ended June 30, 2022.

Disaggregated Revenue

100% of the Organization's revenue for the period ended June 30, 2022, is from non-exchange transactions through grants and contracts with government agencies.

The Organization's customers are primarily the general public located in Pasco and Pinellas counties in the Florida portion of the United States and government agencies.

NOTE 8 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash with financial institutions in excess of the FDIC limit of $250,000 by $1,737,810 at June 30, 2022.

The Organization receives a substantial amount of support from federal, state, and local government agencies. A reduction in the level of future support from the state or local government agencies could have substantial effect on the Organization's programs and activities.

NOTE 9 – COMMITMENTS

Operating Leases

The Organization leases office space at various locations for administrative staffing, as well as locations related to program services. Also leased is certain equipment under non-cancelable operating leases expiring in various years through 2022. Lease expense under these leases was $795,522 for the period ended June 30, 2022.

The office space lease at the Lynan Professional Center located at 36739 State Road 52 expires December 31, 2022 with an option of renewing and extending the term for five additional terms on one year with ninety days written notice.

NOTE 9 – COMMITMENTS (continued)

Future minimum lease payments required under operating leases with non-cancelable lease terms in excess of one year as of June 30, 2022 are as follows:

2023	$ 1,410,565
2024	1,249,190
2025	1,249,190
2026	1,249,190
2027	1,249,190
Thereafter	624,595
Total minimum lease payments	$ 7,031,920

Contingencies

Grants and contracts require the fulfillment of certain conditions set forth in the grant or contract. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the possibility remains, management deems the contingency remote as, by accepting awards and their terms, it has accommodated the objectives of the Organization to the provisions of the grant.

The Organization's contract with the State of Florida, Department of Children and Families (DCF) is approximately 99% of the Organization's total revenue for period ended June 30, 2022.

On January 1, 2022, the Organization entered into contract QJ014 with the Florida Department of Children and Families with a service period through June 30, 2027.

The Organization, in the normal course of business, is subject to claims and litigation. Although the ultimate disposition of these legal matters cannot be predicted with certainty, it is the present opinion of the Organization's management that the outcome of the current litigation will not have material effect on the financial condition of the Organization.

NOTE 10 – DEFINED CONTRIBUTION PROGRAM

The Organization sponsors a defined contribution plan (the Plan) covering substantially all employees. The Organization makes a contribution to the Plan each year equal to 3% of each participants' compensation. Total expense for the period ended June 30, 2022 was $115,430.

NOTE 11 – CONTRIBUTED NON-FINANCIAL ASSETS

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have to be purchased by the Organization. Volunteers also provide many program related services throughout the period that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Donated supplies are recorded at their fair market values on the date of receipt by the Organization. A corresponding amount is recorded as expense.

For the period ended June 30, 2022, contributed non-financial assets recognized within the statements of activities included supplies of $13,245.

NOTE 12 – RISKS AND UNCERTAINTIES

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

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 condition, liquidity, and future results of operations. Management is actively monitoring the global pandemic situation.

NOTE 13 – SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after June 30, 2022 through December 29, 2022, the date the Organization's financial statements were available to be issued.

In October 2022 the Organization obtained a line of credit in the amount of $2,000,000 from Regions Bank.

SUPPLEMENTAL INFORMATION

FAMILY SUPPORT SERVICES OF SUNCOAST, LLC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
PERIOD ENDED JUNE 30, 2022

Federal/State Agency, Pass-Through Entity, State Project	ALN/ CSFA Number	Grantor's Contract Number	Passed-Through to Subrecipients	Expenditures
FEDERAL AWARDS				
U.S. Department of Health and Human Services				
Pass-through program from:				
State of Florida, Department of Children and Families:				
Promoting Safe and Stable Families	93.556	QJ014	$ 558,097	$ 1,040,996
Medicaid Cluster				
Medical Assistance Program	93.778	QJ014	-	30,774
Temporary Assistance for Needy Families Block Grant	93.558	QJ014	995,566	2,513,648
Guardianship Assistance	93.090	QJ014	-	76,209
Chafee Education and Training Vouchers Program	93.599	QJ014	-	29,995
Child Welfare Services-State Grants	93.645	QJ014	391,508	904,068
Foster Care Title IV-E	93.658	QJ014	1,926,255	7,280,382
Adoption Assistance	93.659	QJ014	154,176	7,619,124
Social Services Block Grant	93.667	QJ014	-	3,307,227
Child Abuse and Neglect State Grants	93.669	QJ014	23,348	37,473
Child Abuse and Neglect State Grants	93.669	LJ200	-	249,947
Total for Child Abuse and Neglect State Grants			23,348	287,420
Chaffee Foster Care for Successful Transition to Adulthood	93.674	QJ014	172,533	324,016
Adoption Incentive Payments	93.603	QJ014	-	404,949
Total U.S. Department of Health and Human Services			4,221,483	23,818,808
Total Expenditures of Federal Awards			$ 4,221,483	$ 23,818,808
State of Florida, Department of Children and Families				
Direct program:				
Out-of-Home Supports	60.074	QJ014	$ 211,972	$ 2,815,153
The Independent Living and Road-to-Independence Program	60.112	QJ014	-	47,904
CBC-Sexually Exploited Children	60.138	QJ014	-	31,041
CBC-Purchase of Therapeutic Services for Children	60.183	QJ014	-	63,782
Extended Foster Care Program	60.141	QJ014	-	372,925
CBC-Adoption Services	60.076	QJ014	-	18,314
Guardianship Assistance Program	60.210	QJ014	-	103,782
Total Expenditures of State Financial Assistance			$ 211,972	$ 3,452,901
STATE MATCHING OF FEDERAL AWARDS				
Department of Children and Families				
Guardianship Assistance	93.090	QJ014	$ -	$ 37,167
Promoting Safe and Stable Families	93.556	QJ014	7,329	17,033
Chafee Education and Training Vouchers Program	93.599	QJ014	-	7,124
Child Welfare Services-State Grants	93.645	QJ014	130,503	301,356
Adoption Assistance	93.659	QJ014	149,716	3,989,519
Chaffee Foster Care for Successful Transition to Adulthood	93.674	QJ014	43,133	62,879
Medical Assistance Program	93.778	QJ014	-	30,774
Temporary Assistance for Needy Families Block Grant	93.558	QJ014	973,851	1,868,574
Foster Care Title IV-E	93.658	QJ014	1,875,841	5,666,620
To be Tested Pursuant to OCA Activity	93.XXX	QJ014	2,364,736	12,598,771
Total Expenditures of State Matching of Federal Awards			$ 5,545,109	$ 24,579,817
TOTAL FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE, AND STATE MACTHING OF FEDERAL AWARDS			$ 9,978,564	$ 51,851,526

See independent auditor's report.

FAMILY SUPPORT SERVICES OF SUNCOAST, LLC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL POSITION

PERIOD ENDED JUNE 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the schedule) includes the federal award and state grant activity of Family Support Services of Suncoast, LLC under programs of the federal and state government for the period ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor Genera*l. Because the schedule presents only a selected portion of the operations of Family Support Services of Suncoast, LLC it is not intended to and does not present the financial position, changes in net assets, or cash flows of Family Support Services of Suncoast, LLC.

NOTE 2 – BASIS OF ACCOUNTING

This Schedule was prepared on the modified accrual basis of accounting. The modified accrual basis differs from the full accrual basis of accounting in that expenditures for property and equipment are expensed when incurred, rather than being capitalized and depreciated over their useful lives, and expenditures for the principal portion of debt service are expensed when incurred, rather than being applied to reduce the outstanding principal portion of debt, which conforms to the basis of reporting to grantors for reimbursement under the terms of the Organization's federal grants.

NOTE 3 – INDIRECT COST RATES

The Organization is not required to utilize the 10% de minimis indirect cost rate allowed under the Uniform Guidance and does not have a Federally Approved indirect cost rate. Allowable indirect general and administrative costs are allocated to programs, grants, contracts using a base that results in an equitable distribution. The Organization allocates rent expense to various departments based upon the square footage occupied by each Department as a percentage of the total space. Telephone and communication line charges are based upon which departmental FTEs are utilizing these services. Commercial insurance, office supplies, office equipment and similar expenses are charged to departments in proportion to their FTEs.

NOTE 4 – RELATIONSHIP OF THE SCHEDULE TO PROGRAM FINANCIAL REPORTS

The amounts reflected in the financial reports submitted to the awarding federal, state and/or pass-through agencies and the Schedule may differ.

NOTE 4 – RELATIONSHIP OF THE SCHEDULE TO PROGRAM FINANCIAL REPORTS (continued)

Some of the factors that may account for any difference include the following:

- The Organization's fiscal year end may differ from the program's year end.
- Accruals recognized in the Schedule, because of year end procedures, may not be reported in the program financial reports until the next program reporting period.
- Fixed asset purchases and the resultant depreciation charges are recognized as fixed assets in the Organization's financial statements and as expenditures in the program financial reports and the Schedule.

NOTE 5 – FEDERAL AND STATE CARRY-FORWARD FUNDS

As of June 30, 2022 the Organization had $2,012,727 of carried forward funds that are due from the Department of Children and Families.

NOTE 6 – CONTINGENCIES

Grant monies received and disbursed by the Organization are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Management does not believe that such disallowance, if any, would have a material effect on the financial position of the Organization. As of June 30, 2022, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

NOTE 7 – NONCASH ASSISTANCE

The Organization did not receive any federal noncash assistance for the period ended June 30, 2022.

NOTE 8 – LOANS AND LOAN GUARANTEES

The Organization did not have any loans or loan guarantee programs required to be reported on the schedule for the period ended June 30, 2022.

Partners
W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Thomas F. Regan
Ernie R. Janvrin
Richard F. Hayes
Renee C. Varga
Shawn M. Marshall

Winter Park, FL 32789
501 S. New York Ave.
Suite 100
Phone: 407-644-5811
www.mosskrusick.com

N. Palm Beach, FL 33408
631 US Highway One
Suite 405
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Suite 201
Phone: 305-445-7956

American Institute of Certified Public Accountants

Florida Institute of Certified Public Accountants

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
Family Support Services of Suncoast, LLC
Largo, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Family Support Services of Suncoast, LLC (a nonprofit 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 period then ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2022.

Report on Internal Control Over Financial Reporting

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 29, 2022

Partners
W. Ed Moss, Jr.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE OF FLORIDA CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors of
Family Support Services of Suncoast, LLC
Largo, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Family Support Services of Suncoast, LLC's compliance with the types of compliance requirements described in the *OMB Compliance Supplement,* and the requirements described in the *Department of Financial Services*' State Projects Compliance Supplement, that could have a direct and material effect on each of Family Support Services of Suncoast, LLC's major federal programs and state projects for the period ended June 30, 2022. Family Support Services of Suncoast, LLC's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Family Support Services of Suncoast, LLC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the period ended June 30, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities of Management for Compliance

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

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material

Report on Internal Control Over Compliance (continued)

weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 29, 2022

FAMILY SUPPORT SERVICES OF SUNCOAST, LLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL PROGRAMS AND STATE PROJECTS

June 30, 2022

Section I – Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued:	Unmodified
2. Internal control over financial reporting:	
a. Material weakness(es) identified?	No
b. Significant deficiencies identified that are not considered to be material weaknesses?	No
3. Noncompliance material to financial statements noted?	None reported

Federal Awards

1. Type of auditor's report issued on compliance for major programs:	Unmodified
2. Internal control over major programs:	
a. Material weakness(es) identified?	No
b. Significant deficiencies identified that are not considered to be material weaknesses?	None reported
3. Audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No
4. Dollar threshold used to distinguish between Type A and Type B programs	$750,000
5. Auditee qualified as low-risk auditee?	No

Identification of major programs:

Name of Federal Program	ALN Number
Adoption Assistance	93.659
Foster Care Title IV-E	93.658
Social Services Block Grant	93.667
Temporary Assistance for Needy Families Block Grant	93.558
Promoting Safe and Stable Families	93.556
Child Welfare Services-State Grants	93.645

FAMILY SUPPORT SERVICES OF SUNCOAST, LLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL PROGRAMS AND STATE PROJECTS

June 30, 2022

Section I – Summary of Auditor's Results (continued)

State Financial Assistance

1. Type of auditor's report issued on compliance for major projects:	Unmodified
2. Internal control over major projects:	
a. Material weakness(es) identified?	No
b. Significant deficiencies identified that are not considered to be material weaknesses?	None reported
3. Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, Rules of the Auditor General	No
4. Dollar threshold used to distinguish between Type A and Type B projects	$750,000

Identification of major projects:

Name of State Project	CSFA Number
Out-of-Home Supports	60.074

Section II – Financial Statement Findings

None (no financial statement findings required)

Section III – Federal Award and State Projects Findings and Questioned Costs

None

Section IV – Status of Prior Year Audit Findings

None