A SERENITY PLACE, LLC
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INDEPENDENT AUDITORS' REPORT

Management
A Serenity Place, LLC
Auburndale, Florida

Opinion

We have audited the accompanying financial statements of A Serenity Place, LLC (a S-corporation), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A Serenity Place, LLC as of December 31, 2023 and 2022, and the results in its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). For the year ended December 31, 2023, we also conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of A Serenity Place, 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 opinion.

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 A Serenity Place, LLC's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 A Serenity Place, 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 A Serenity Place, 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.

Management
A Serenity Place, LLC

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 state financial assistance, as required by Chapter 10.650, *Nonprofit and For-Profit Organizations,* Rules of the Auditor General of the State of Florida, 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 GAAS. In our opinion, the information 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 October 16, 2025, on our consideration of A Serenity Place, 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 A Serenity Place, 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 A Serenity Place, LLC's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
October 16, 2025

A SERENITY PLACE, LLC
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 197,441	$ 104,459
Contracts Receivable	156,743	148,699
Total Current Assets	354,184	253,158
NONCURRENT ASSETS		
Property, Plant, and Equipment, Net	148,821	96,223
Operating Lease Right-of-Use Assets, Net of Accumulated Amortization	103,936	-
Total Noncurrent Assets	252,757	96,223
Total Assets	$ 606,941	$ 349,381
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 26,647	$ 39,332.0
Accrued Expenses	44,428	27,746
Due to Shareholder, Current Portion	43,796	20,982
Operating Lease Obligation, Current Portion	80,084	-
Total Current Liabilities	194,955	88,060
NONCURRENT LIABILITIES		
Due to Shareholder, Net of Current Portion	91,801	52,445
Operating Lease Obligation, Net of Current Portion	25,352	-
Total Noncurrent Liabilities	117,153	52,445
Total Liabilities	312,108	140,505
STOCKHOLDER'S EQUITY		
Retained Earnings	294,833	208,876
Total Stockholder's Equity	294,833	208,876
Total Liabilities and Stockholder's Equity	$ 606,941	$ 349,381

See accompanying Notes to Financial Statements.

A SERENITY PLACE, LLC
STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CONTRACT REVENUE	$ 1,917,378	$ 1,424,479
CONTRACT COSTS	1,652,786	1,315,488
GROSS PROFIT	264,592	108,991
OPERATING EXPENSES		
General and Administrative Expenses	71,747	43,181
INCOME FROM OPERATIONS	192,845	65,810
OTHER INCOME (EXPENSE)		
Other Income	700	-
Interest Expense	(12,678)	(3,521)
Total Other Income (Expenses)	(11,978)	(3,521)
NET INCOME	$ 180,867	$ 62,289

See Accompanying Notes to Financial Statements.

A SERENITY PLACE, LLC
STATEMENTS OF STOCKHOLDER'S EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

	Common Stock		Additional Paid-In	Retained	Total Stockholder's
	Shares	Amount	Capital	Earnings	Equity
BALANCE - DECEMBER 31, 2021	100	$ -	$ -	$ 170,114	$ 170,114
Capital Contribution	-	-	-	55,347	55,347
Distributions	-	-	-	(78,874)	(78,874)
Net Income	-	-	-	62,289	62,289
BALANCE - DECEMBER 31, 2022	100	$ -	$ -	$ 208,876	$ 208,876
BALANCE - DECEMBER 31, 2022	100	-	-	208,876	208,876
Capital Contribution	-	-	-	-	-
Distributions	-	-	-	(94,910)	(94,910)
Net Income	-	-	-	180,867	180,867
BALANCE - DECEMBER 31, 2023	100	$ -	$ -	$ 294,833	$ 294,833

See Accompanying Notes to Financial Statements.

A SERENITY PLACE, LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 180,867	$ 62,289
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	71,746	43,183
Change in Operating Right-of-Use Assets and Lease Liabilities	1,500	-
(Increase) Decrease in Assets:		
Contracts Receivable	(8,044)	(55,704)
Increase (Decrease) in Liabilities:		
Accounts Payable	(12,685)	39,332
Accrued Expenses	16,682	19,869
Net Cash Provided by Operating Activities	250,066	108,969
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant, and Equipment	(22,574)	(16,851)
Net Cash Used by Investing Activities	(22,574)	(16,851)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution from Stockholder	-	55,347
Distribution to Stockholder	(94,910)	(78,874)
Principal Payments Due to Shareholder	(39,600)	(37,373)
Proceeds from Due to Shareholder	-	-
Net Cash Used by Financing Activities	(134,510)	(60,900)
NET INCREASE IN CASH AND CASH EQUIVALENTS	92,982	31,218
Cash and Cash Equivalents - Beginning of Year	104,459	73,241
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 197,441	$ 104,459
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 12,678	$ 3,521
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING INFORMATION		
Equipment Acquired through Financing	$ 101,770	$ 43,039

See Accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business and Ownership

A Serenity Place, LLC (the Company) provides a safe environment for at risk youth and empowers them with services to benefit the youth within their young adulthood.

Method of Accounting

The Company's financial statements are presented on the accrual method of accounting in compliance with the accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when earned and expenses are recorded when incurred.

Revenue Recognition

The Company receives revenue from federal and state contracts and grants by providing services for a set fee, which are conditioned upon performance obligations, such as the delivery of specific services to eligible youth. Amounts received are recognized as revenue when the related services are rendered and performance obligations are satisfied. The timing of revenue recognition, billings, and cash collections results in contract receivables. For the years ended December 31, 2023 and 2022 the Company had $156,743 and $148,699 of contracts receivable, respectively.

Contract costs include all direct costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation. Selling, general and administrative costs are charged to expense as incurred.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Contracts Receivable

Contracts receivable are presented on the balance sheet net of an allowance for doubtful accounts based on the Company's assessment of collectability. As of December 31, 2023 and 2022, the Company considered all receivables to be collectible and no allowances have been recorded.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant, and Equipment

Property, plant, and equipment are stated at historical cost, less accumulated depreciation. Depreciation is computed by the straight-line method over the following estimated useful lives:

Computers	3 Years
Equipment	3 to 7 Years
Fixtures and Office Equipment	5 to 10 Years
Vehicles	3 to 5 Years

The capitalization policy on acquisitions of property, plant, and equipment is $1,000.

Maintenance and minor repairs are charged against earnings when incurred. Major repairs are capitalized based on capitalization policy.

Income Taxes

The Company elected to be treated as an S corporation under the Internal Revenue Code. As an S corporation, the Company's stockholder includes their respective shares of the corporate taxable income or loss within their federal income tax returns. No provision for income taxes is shown in the financial statements because the Company is an S Corporation. As such, taxable income or loss passes directly to the stockholder. The Company has not identified any uncertainty in income tax positions that would jeopardize the entity's status as a pass-through entity. For federal income tax purposes, the tax returns remain open for possible examination for a period of three years after the respective deadlines of those returns.

Leases

A Serenity Place, LLC determines if an arrangement is a lease at inception. Operating leases are included in the balance sheets as an operating lease right-of-use (ROU) assets and operating lease liability. Finance leases are included in the balance sheets as finance lease ROU assets and finance lease liability.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Company uses the risk-free discount rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Company has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

A Serenity Place, LLC has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on balance sheets. The Company had short-term leases which did not require financial statement disclosures for the year ending December 31, 2022. However, in the year ending December 31, 2023, the entity entered into several long-term leases which required the financial statement disclosures.

The Company incurred costs related to short term leases (12 months or less) in the amounts of $-0- and $119,522 as of December 31, 2023 and 2022, respectively.

Adoption of New Accounting Standards

At the beginning of 2023, the Company adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Company adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Company's financial statements.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported retained earnings.

NOTE 2 CONCENTRATION OF CREDIT RISK

The Company receives a substantial portion of its revenues from one contracting agency. Contract funding may be significantly impacted by budget allocations and, consequently, changes in that funding may affect the Company's operations. 100% of the Company's contract receivables and contract revenue are from one agency for both of the years ended December 31, 2023 and 2022.

NOTE 3 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following as of December 31:

	2023	2022
Computers	$ 1,353	$ 1,353
Equipment	9,207	9,207
Fixtures and Office Equipment	31,572	28,146
Vehicles	337,257	216,339
Subtotal	379,389	255,045
Less: Accumulated Depreciation	(230,568)	(158,822)
Total	$ 148,821	$ 96,223

Depreciation expense recognized on property, plant, and equipment was $71,746 and $43,181 for the years ended December 31, 2023 and 2022, respectively.

NOTE 4 COMMITMENTS AND CONTINGENCIES

The Company receives financial assistance from state and local agencies in the form of grants and contracts. The disbursement of funds received under these programs generally requires compliance with terms and conditions specific in the grant/contract agreements and may be subject to audit by the grantor agencies. As a result of such audits, the grantor may require that amounts be returned. In the opinion of management, all contract expenditures are in compliance with the terms of the agreements and applicable state and local laws and regulations.

NOTE 5 DUE TO SHAREHOLDER

As of December 31, 2023 and 2022, the Company had a balance of $135,597 and $73,427, respectively, due to the sole shareholder. The shareholder has acquired debt in the shareholder's name for several vehicles used in the business of A Serenity Place. As such, the shareholder requires the Company to make these payments directly to the debt issuers and must follow the terms set in the agreements between the debt issuers and the shareholder. These balances are reflected in a due to shareholder as current and noncurrent liabilities.

Future maturities of the debt due to shareholder is as follows:

Year Ending December 31,	Amount
2024	$ 43,796
2025	26,939
2026	29,154
2027	31,556
2028	4,152
Total Future Payments	$ 135,597

NOTE 6 LEASES

The Company leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2025.

The following tables provides quantitative information concerning the Company's leases:

	2023	2022
Lease Cost:		
Operating Lease Cost	$ 98,700	$ -
Total Lease Cost	$ 98,700	$ -
Other Information:		
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ 56,578	$ -
Weighted Average Remaining Lease Term	1.2 Years	0 Years
Weighted Average Discount Rate	4.4%	0.0%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023 is as follows:

Year Ending December 31,	Amount
2024	$ 82,619
2025	25,655
Undiscounted Cash Flows	108,274
Less Imputed Interest	(2,838)
Present Value of Lease Liabilities	$ 105,436

NOTE 7 RELATED PARTY TRANSACTIONS

The Company engaged in several related party transactions involving family members of the Executive Director. These individuals are employed in non-executive administrative roles. For the years ended December 31, 2023 and 2022, total compensation and benefits paid to these employees amounted to $267,771 and $112,623, respectively.

In addition, one of the family members received a housing stipend during the year ended December 31, 2023 of $15,934. The company also purchased a vehicle from one of the family members during the year ended December 31, 2023 for $36,343.

NOTE 8 RETIREMENT PLANS

A Serenity Place, LLC maintains a 401(k) Plan retirement plan for the benefit of its employees. The 401(k) Plan is a qualified defined contribution plan governed by Section 401(k) of the Internal Revenue Code and was established May 31, 2022. Employees become eligible to participate in the Plan at age 18, after completing 6 months of service. A Serenity Place, LLC has the option to match dollar-for-dollar contributions to the Plan up to 3% of compensation.

Participants vest in A Serenity Place, LLC's contributions to the 401(k) Plan over a six-year period for discretionary nonelective contributions and after 3 years for discretionary and fixed matching contributions. The Plan provides for the payment of benefits to a participant upon his or her disability, severance of employment, or death. The benefits to a participant (or his or her designated beneficiary), in the event of disability or death, will be 100% of the amount in the participant's account regardless of his or her years of service.

If a participant terminates employment or is dismissed, the amount due the participant will be the participant's contributions and related investment earnings and the participant's vested interest in the amounts contributed by A Serenity Place, LLC. A Serenity Place, LLC contributed $15,290 and $6,113 to retirement plans during the years 2023 and 2022, respectively.

NOTE 9 SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to December 31, 2023, to determine the need for any adjustments to and/or disclosures within the financial statements. This analysis has been performed through October 16, 2025, the date these financial statements were available to be issued and has noted no subsequent events.

A SERENITY PLACE, LLC
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2023

Agency/Pass-Through Entity Program Title	ALN Number	Contract or Grant Number	Expenditures
STATE AWARDS			
Department of Children and Families			
Passed Through Heartland for Children, Inc.			
Child Welfare Out of Home Supports	60.074	SSP01	$ 538,914
Child Welfare Out of Home Supports	60.074	TSP01	739,419
Total Department of Children and Families			$ 1,278,333

See accompanying Notes to Schedule of State Awards.

A SERENITY PLACE, LLC
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
DECEMBER 31, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the Schedule) presents the activity of all state financial assistance provided to A Serenity Place, LLC (the Company) for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the Florida Auditor General. The Schedule presents only a selected portion of the operations of A Serenity Place, LLC, therefore, it is not intended to and does not present the financial position, changes in operations, or cash flows of A Serenity Place, LLC.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Chapter 10.650, Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Management
A Serenity Place, LLC
Auburndale, 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 A Serenity Place, LLC (a S-corporation), which comprise the balance sheet as of December 31, 2023, and the related statements of income, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered A Serenity Place, LLC'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 A Serenity Place, LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of A Serenity Place, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

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Management
A Serenity Place, LLC

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether A Serenity Place, 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*.

A Serenity Place, LLC's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the A Serenity Place, LLC's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. A Serenity Place, LLC's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
October 16, 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Management
A Serenity Place, LLC
Auburndale, Florida

Report on Compliance for Each Major State Project

Adverse Opinion

We have audited A Serenity Place, LLC's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on A Serenity Place, LLC's major state projects for the year ended December 31, 2023. A Serenity Place, LLC's state project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, A Serenity Place, LLC (the Company) did not comply in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended December 31, 2023.

Basis for Adverse Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards and Chapter 10.650, Rules of the Auditor General are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of A Serenity Place, 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 state project. Our audit does not provide a legal determination of A Serenity Place, LLC's compliance with the compliance requirements referred to above.

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Matter Giving Rise to Adverse Opinion on Child Welfare Out of Home Supports

As described in the accompanying schedule of findings and questioned costs, A Serenity Place, LLC did not comply with requirements regarding Assistance Listing No. 60.074 Child Welfare Out of Home Supports as described in finding number 2023-002, 2023-003, and 2023-004. Compliance with such requirements is necessary, in our opinion, for A Serenity Place, LLC to comply with the requirements applicable to that program.

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 A Serenity Place, LLC's state project.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on A Serenity Place, 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 GAAS, *Government Auditing Standards*, and Chapter 10.650, Rules of the Auditor General 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 A Serenity Place, LLC's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, Rules of the Auditor General, 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 A Serenity Place, 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 A Serenity Place, 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 Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of A Serenity Place, 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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on A Serenity Place, LLC's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. A Serenity Place, LLC's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 state project will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002, 2023-003, and 2023-004 to be material weaknesses.

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 state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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.

Government Auditing Standards requires the auditor to perform limited procedures on A Serenity Place, LLC's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. A Serenity Place, LLC's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Management
A Serenity Place, LLC

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 Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Lakeland, Florida
October 16, 2025

A SERENITY PLACE, LLC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weaknesses identified? ____x____ yes _____ no
   - Significant deficiencies identified? _____ yes ____x____ none reported

3. Noncompliance material to financial statements noted? ____x____ yes _____ no

State Awards

1. Internal control over major state projects:

   - Material weaknesses identified? ____x____ yes _____ no
   - Significant deficiencies identified? _____ yes ____x____ none reported

2. Type of auditors' report issued on compliance for major state projects: Adverse

3. Any audit findings disclosed that are required To be reported in accordance with Chapter 10.650, Rules of the Auditor General? ____x____ yes _____ no

Identification of Major State Projects

Assistance Listing Number	**Name of State Project or Cluster**
60.074	Child Welfare Out of Home Supports

Dollar threshold used to distinguish between Type A and Type B programs: $ 383,500

Auditee qualified as low-risk auditee? _____ yes ____x____ no

A SERENITY PLACE, LLC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

Section II – Financial Statement Findings

2023 – 001: Lack of Segregation of Duties

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: A Serenity Place, LLC's policies and procedures lack segregation of duties.

Criteria or specific requirement: A fundamental concept in a good system of internal control is the separation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. Journal entries should also be entered into the accounting records by one employee and reviewed by another.

Effect: Lack of segregation of duties increases the possibility that misappropriation of assets or inaccurate financial reporting may occur and not be detected on a timely basis.

Cause: Due to the Company having a limited number of employees, a single individual processed nearly all accounting transactions for A Serenity Place, LLC.

Repeat Finding: Yes

Recommendation: We recommend A Serenity Place, LLC evaluate its policies and procedures and incorporate adequate segregation of duties.

Views of responsible officials: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major State Projects

2023 – 002: Allowable Costs, Period of Performance, and Reporting

State Agency: Department of Children and Families
State Project Title: Child Welfare Out of Home Supports
Assistance Listing Number: 60.074
Pass-Through Agency: Heartland for Children, Inc. (HFC)
Pass-Through Number: N/A
Award Periods: 7/1/2022 - 6/30/2023, 7/1/2023 - 6/30/2024
Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Modified Opinion)

Criteria or specific requirement: The agreement with HFC includes certain requirements for allowable costs, period of performance, and financial reporting. Units of Service should be billed at contracted approved rates and reviewed for accuracy by an individual separate from the preparer, any deviations from the approved rates should be formally documented with an approval from the pass-through agency.

Condition: The rate used in monthly invoices did not match the contractually approved rate. While a verbal agreement was provided from HFC to use a rate differing from the approved rate per the HFC contract, there is no documentation of approval from HFC noted in participant file for the additional billing. In addition, there is no individual outside the preparer reviewing the participant files.

Questioned costs: None

Context: Out of the sample of 8 participants recorded throughout the covered period, 2 participants were billed at a double rate with no documentation of authorization. Out of the sample of 6 participants recorded in the month the grant term ended, 1 participant was billed at a double rate with no documentation of authorization. Out of the sample of 5 payment requests, 2 participants over 2 payment requests were billed at a double rate with no documentation of authorization.

Cause: A Serenity Place, LLC has experienced notable growth in both organizational size and government funding over recent years. However, the management staffing levels have not been adjusted accordingly to support the necessary separation of responsibilities across key financial functions such as recording, authorization, and custody.

Effect: Disallowed costs could be included within requests for payment. Information reported to the pass-through entity could be misstated.

Repeat Finding: No

Section III – Findings and Questioned Costs – Major State Projects (Continued)

2023 – 002: Allowable Costs, Period of Performance, and Reporting (Continued)

Recommendation: We recommend A Serenity Place, LLC maintain authorization documentation of board rates outside the contractual rates. We also recommend the Company take additional steps to improve segregation of duties for preparation and approval of invoices.

Views of responsible officials: There is no disagreement with the audit finding.

2023 – 003: Reporting

State Agency: Department of Children and Families
State Project Title: Child Welfare Out of Home Supports
Assistance Listing Number: 60.074
Pass-Through Agency: Heartland for Children, Inc. (HFC)
Pass-Through Number: N/A
Award Periods: 7/1/2022 - 6/30/2023, 7/1/2023 - 6/30/2024
Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Modified Opinion)

Criteria or specific requirement: Chapter 10.650, Rules of the Auditor General and the agreement with HFC includes certain requirements for financial and performance reporting requirements.

Condition: Support was not able to be provided regarding the approval or submission of the financial or performance reporting requirements.

Questioned costs: None

Context: Out of the sample of 5 financial reports, 5 exceptions noted where neither approval or submission could be supported. Out of the sample of 19 performance reports, 19 exceptions noted where neither approval or submission could be supported.

Cause: A Serenity Place, LLC has experienced notable growth in both organizational size and federal and state funding over recent years. However, the management staffing levels were not adequate to perform administrative related procedures.

Effect: A Serenity Place, LLC could cause their pass-through entity to misreport their financial or performance measures.

Repeat Finding: No

Recommendation: We recommend A Serenity Place, LLC submit its financial and performance reporting as noted in the agreements and maintain documentation of the approval and submission.

Views of responsible officials: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major State Projects (Continued)

2023 – 004: Property and Equipment

State Agency: Department of Children and Families
State Project Title: Child Welfare Out of Home Supports
Assistance Listing Number: 60.074
Pass-Through Agency: Heartland for Children, Inc. (HFC)
Pass-Through Number: N/A
Award Periods: 7/1/2022 - 6/30/2023, 7/1/2023 - 6/30/2024
Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Modified Opinion)

Criteria or specific requirement: The agreement with HFC requires a physical inventory for items with an acquisition cost of $1,000 or greater to be conducted on an annual basis. The equipment purchases should also be approved by an individual other than the individual requesting the purchase. For equipment acquired under state projects, entities must appropriately safeguard and maintain property.

Condition: No documentation of evaluation and approval for purchase of equipment. No physical inventory observation procedures in place.

Questioned costs: None

Context: Out of the sample of 5 equipment purchases, 5 exception noted where documentation of assessment and approval of purchase were not performed. No physical inventory observation procedures are in place.

Cause: Approvals of purchases not documented and no physical inventory documented.

Effect: Disallowed activity could be included within requests for payment. Information reported to the pass-through entity could be misstated.

Repeat Finding: No

Recommendation: We recommend A Serenity Place, LLC evaluate their policies and procedures and incorporate segregation of duties and physical inventory observation.

Views of responsible officials: There is no disagreement with the audit finding.

Memorandum

To: Department of Children and Families
From: Serena Stutz
Date: 10/14/2025

Subject: A Serenity Place, LLC respectfully submits the following corrective action plan for the year ended December 31, 2023.

Audit period: January 1, 2023 – December 31, 2023

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2023-001 Lack of Segregation of Duties

Recommendation: Recommended A Serenity Place, LLC evaluate their policies and procedures and incorporate adequate segregation of duties.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding:

We will ensure that key functions, such as recording transactions, reconciliations and maintaining records of assets, are assigned to separate individuals. This will prevent any one person from having complete control over financial processes and reduce the possibility of errors or fraud.

Steps:

- A designated staff member reconciles accounts against the general ledger.
- Discrepancies are investigated and resolved in a timely manner by a different individual than the one who performed the reconciliation.
- Reconciliations are reviewed and approved by management on a monthly basis.

Name(s) of the contact person(s) responsible for corrective action:

Serena Stutz

Alyssa Walker

Planned completion date for corrective action plan:

March 31, 2025

FINDINGS—MAJOR STATE PROJECTS AUDITS

Department of Children and Families

Child Welfare Out of Home Supports – Assistance Listing No. 60.074

2023-002 Allowable Costs, Period of Performance, and Cash Management

Recommendation: Recommended A Serenity Place, LLC. maintain authorization documentation of board rates outside the contractual rates. We also recommend the Company to take additional steps to improve segregation of duties for preparation and approval of invoices.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding:.

We will implement a more structured process for documenting the approval of board rates outside of the approved contracted rate. This includes ensuring that all invoices sent to the grantor are formally approved by the appropriate authority within the organization. We will also maintain a written record of the approval, including the name of the individual who approved the invoice and the date of approval.

Name(s) of the contact person(s) responsible for corrective action:

Serena Stutz

Alyssa Walker

Planned completion date for corrective action plan:

March 31, 2025

Department of Children and Families

Child Welfare Out of Home Supports – Assistance Listing No. 60.074

2023-003 Reporting

Recommendation: Recommended A Serenity Place, LLC. Submit its financial and performance reporting as noted in the agreements and maintain documentation of the approval and submission.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding:

We will establish a more stringent protocol for approving the reports required to be sent to the grantor. This will include the signature and date of the individual who prepared the report and the individual who reviewed and approved the report to be sent.

Name(s) of the contact person(s) responsible for corrective action:

Serena Stutz

Alyssa Walker

Planned completion date for corrective action plan:

March 31, 2025

Department of Children and Families

Child Welfare Out of Home Supports – Assistance Listing No. 60.074

2023-004 Property and Equipment

Recommendation: Recommended A Serenity Place, LLC. review their policy and procedures relating to the approval of property and equipment purchases and physical inventory of property and equipment.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding:.

We will review each purchase of property and equipment and ensure the purchases are properly approved. The policies and procedures will be updated to include an annual physical inspection of all property and equipment purchases which will include the date and signatures of the individuals involved.

Name(s) of the contact person(s) responsible for corrective action:

Serena Stutz

Alyssa Walker

Planned completion date for corrective action plan:

March 31, 2025

If the Department of Children and Families has questions regarding this plan, please call/email Serena Stutz at 863-583-2367/sstutz@sercnitypl.org.

Sincerely,

Serena Stutz
Executive Director