

**FLORIDA CENTER FOR CHILDREN AND  
YOUTH, INC. D/B/A VOICES FOR FLORIDA  
Tallahassee, Florida**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Years Ended December 31, 2019 and 2018**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Florida Center for Children and Youth, Inc. D/B/A Voices for Florida  
Tallahassee, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida (a Florida non-profit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is also presented for purposes of additional analysis 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 Auditor General*, and is not a required part of the basic 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2020, on our consideration of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida's internal control over financial reporting and 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida'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 Florida Center for Children and Youth, Inc. D/B/A Voices for Florida's internal control over financial reporting and compliance.

*Thomson Block & Company*

Tallahassee, Florida  
October 22, 2020

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 12,121	\$ 83,283
Grants receivable	609,341	576,545
Contributions and accounts receivable	-	2,916
Due from service providers	93,387	4,708
Prepaid expenses	<u>420</u>	<u>2,587</u>
TOTAL CURRENT ASSETS	715,269	670,039
 CERTIFICATE OF DEPOSIT	 <u>15,783</u>	 <u>15,783</u>
	\$ <u><u>731,052</u></u>	\$ <u><u>685,822</u></u>
<b><u>LIABILITIES AND NET ASSETS (DEFICIT)</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 148,413	\$ 99,208
Service provider payables	169,091	223,681
Line of credit	<u>520,000</u>	<u>185,000</u>
TOTAL CURRENT LIABILITIES	837,504	507,889
 <b>NET ASSETS (DEFICIT)</b>		
Without donor restrictions	( 106,452)	( 58,938)
With donor restrictions	<u>-</u>	<u>236,871</u>
TOTAL NET ASSETS (DEFICIT)	( <u>106,452</u> )	<u>177,933</u>
	\$ <u><u>731,052</u></u>	\$ <u><u>685,822</u></u>

See accompanying notes.

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Grants	\$ 3,640,122	\$ -	\$ 3,640,122
Network provider fees	34,000	-	34,000
Contributions	11,404	-	11,404
Service fees	8,338	-	8,338
Other income	885	-	885
Interest income	<u>322</u>	<u>-</u>	<u>322</u>
	3,695,071	-	3,695,071
 Net assets released from restriction	 <u>236,871</u>	 <u>( 236,871)</u>	 <u>-</u>
 TOTAL PUBLIC SUPPORT AND REVENUE	 3,931,942	 ( 236,871)	 3,695,071
 <b>EXPENSES</b>			
Program services	3,897,282	-	3,897,282
Administrative and general	<u>82,174</u>	<u>-</u>	<u>82,174</u>
TOTAL EXPENSES	<u>3,979,456</u>	<u>-</u>	<u>3,979,456</u>
 CHANGE IN NET ASSETS	 ( 47,514)	 ( 236,871)	 ( 284,385)
 BEGINNING NET ASSETS	 <u>( 58,938)</u>	 <u>236,871</u>	 <u>177,933</u>
 ENDING NET ASSETS (DEFICIT)	 <u>\$ (106,452)</u>	 <u>\$ -</u>	 <u>\$ (106,452)</u>

See accompanying notes.

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Grants	\$ 1,926,253	\$ 1,330,499	\$ 3,256,752
Contributions	9,607	-	9,607
Interest income	<u>93</u>	<u>-</u>	<u>93</u>
	1,935,953	1,330,499	3,266,452
 Net assets released from restriction	 <u>1,300,368</u>	 <u>( 1,300,368)</u>	 <u>-</u>
 TOTAL PUBLIC SUPPORT AND REVENUE	 3,236,321	 30,131	 3,266,452
<b>EXPENSES</b>			
Program services	3,196,222	-	3,196,222
Administrative and general	<u>74,852</u>	<u>-</u>	<u>74,852</u>
TOTAL EXPENSES	<u>3,271,074</u>	<u>-</u>	<u>3,271,074</u>
 CHANGE IN NET ASSETS	 ( 34,753)	 30,131	 ( 4,622)
 BEGINNING NET ASSETS	 ( <u> 24,185</u> )	 <u> 206,740</u>	 <u> 182,555</u>
 ENDING NET ASSETS	 \$( <u> 58,938</u> )	 \$ <u> 236,871</u>	 \$ <u> 177,933</u>

See accompanying notes.

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**STATEMENT OF FUNCTIONAL ACTIVITIES**  
**Year Ended December 31, 2019**

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Total Expenses</u>
<b>DIRECT PROGRAM EXPENSES</b>			
Service provider fees	\$ 3,000,115	\$ -	\$ 3,000,115
Consultants and contractors	166,332	-	166,332
Service provider training	<u>236</u>	<u>-</u>	<u>236</u>
<b>TOTAL DIRECT PROGRAM EXPENSES</b>	<b>3,166,683</b>	<b>-</b>	<b>3,166,683</b>
<b>SALARIES AND RELATED BENEFITS</b>			
Salaries and wages	382,359	41,236	423,595
Employee benefits	65,925	10,491	76,416
Payroll taxes	<u>28,301</u>	<u>3,052</u>	<u>31,353</u>
<b>TOTAL SALARIES AND RELATED BENEFITS</b>	<b>476,585</b>	<b>54,779</b>	<b>531,364</b>
<b>OPERATING EXPENSES</b>			
Fiscal agent fees	92,070	9,930	102,000
Rent	46,964	5,065	52,029
Travel	42,856	4,622	47,478
Professional fees	22,566	2,434	25,000
Interest and bank fees	16,154	1,742	17,896
Computer and IT expenses	14,245	1,536	15,781
Printing and reproduction	5,414	584	5,998
Supplies and materials	4,130	445	4,575
Payroll processing fees	3,495	377	3,872
Insurance	2,904	313	3,217
Other expenses	1,648	178	1,826
Postage and delivery	828	89	917
Public awareness	<u>740</u>	<u>80</u>	<u>820</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>254,014</u></b>	<b><u>27,395</u></b>	<b><u>281,409</u></b>
	<b>\$ <u>3,897,282</u></b>	<b>\$ <u>82,174</u></b>	<b>\$ <u>3,979,456</u></b>

See accompanying notes.

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2018**

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Total Expenses</u>
<b>DIRECT PROGRAM EXPENSES</b>			
Service provider fees	\$ 2,295,586	\$ -	\$ 2,295,586
Consultants and contractors	201,502	-	201,502
Service provider training	<u>20,087</u>	<u>-</u>	<u>20,087</u>
<b>TOTAL DIRECT PROGRAM EXPENSES</b>	<b>2,517,175</b>	<b>-</b>	<b>2,517,175</b>
<b>SALARIES AND RELATED BENEFITS</b>			
Salaries and wages	352,819	39,202	392,021
Employee benefits	61,175	6,797	67,972
Payroll taxes	<u>26,752</u>	<u>2,973</u>	<u>29,725</u>
<b>TOTAL SALARIES AND RELATED BENEFITS</b>	<b>440,746</b>	<b>48,972</b>	<b>489,718</b>
<b>OPERATING EXPENSES</b>			
Fiscal agent fees	122,197	13,328	135,525
Rent	37,692	4,188	41,880
Travel	41,813	4,646	46,459
Professional fees	900	100	1,000
Interest and bank fees	7,259	807	8,066
Computer and IT expenses	2,947	328	3,275
Printing and reproduction	2,174	242	2,416
Supplies and materials	8,984	998	9,982
Payroll processing fees	3,107	345	3,452
Insurance	3,517	391	3,908
Other expenses	476	236	712
Postage and delivery	1,565	174	1,739
Public awareness	<u>5,670</u>	<u>97</u>	<u>5,767</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>238,301</u></b>	<b><u>25,880</u></b>	<b><u>264,181</u></b>
	<b>\$ <u>3,196,222</u></b>	<b>\$ <u>74,852</u></b>	<b>\$ <u>3,271,074</u></b>

See accompanying notes.

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants and contributions	\$ 3,671,726	\$ 2,846,973
Cash payments to employees and employment taxes	( 446,932)	( 410,459)
Cash payments to vendors and service providers	<u>( 3,630,956)</u>	<u>( 2,718,697)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>( 406,162)</b>	<b>( 282,183)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	2,250,000	620,000
Principal payments on line of credit	<u>( 1,915,000)</u>	<u>( 435,000)</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b><u>335,000</u></b>	<b><u>185,000</u></b>
<b>NET DECREASE IN CASH</b>	<b>( 71,162)</b>	<b>( 97,183)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<u>83,283</u>	<u>180,466</u>
<b>CASH AT END OF YEAR</b>	<b>\$ <u><u>12,121</u></u></b>	<b>\$ <u><u>83,283</u></u></b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Change in net assets	\$ ( 284,385)	\$( 4,622)
Adjustments to change in net assets to net cash provided by (used in) operating activities:		
Decrease (increase) in assets:		
Grants receivable	( 32,796)	( 416,563)
Contributions and accounts receivable	2,916	( 2,916)
Due from service providers	( 88,679)	( 4,708)
Prepaid expenses	2,167	( 868)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	49,205	20,180
Service provider payables	<u>( 54,590)</u>	<u>127,314</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>\$ (<u>406,162</u>)</b>	<b>\$ (<u>282,183</u>)</b>

See accompanying notes.

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities** - Florida Center for Children and Youth, Inc. D/B/A Voices for Florida (the “Organization”) was incorporated as a Florida non-profit organization in 1976, for the purpose of engaging thought leaders to drive social and economic innovation at the community and state levels, with a goal to restore the American dream for all of Florida’s children and families.

**Basis of Accounting and Presentation** - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization’s net assets and changes thereto are classified and reported as follows:

- Net assets without donor restrictions - consists of amounts that are available for use in carrying out the supporting activities of the Organization and are not subject to donor-imposed stipulations.
- Net assets with donor restrictions - consists of amounts that are available for the purposes restricted by donors and grantors, or a time restriction. When a restriction is satisfied, the associated amount is reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Cash and Cash Equivalents** - The Organization considers all highly liquid investments with a maturity of three (3) months or less when purchased to be cash equivalents.

**Certificates of Deposit** - The Organization records certificates of deposit at cost. Interest is recorded when the certificate of deposit is re-issued.

**Contributions** - All contributions, including unconditional promises to give, are recognized as revenue in the period the contribution or promise is received. All contributions are available for use without restrictions, unless specifically restricted by the donor. All in-kind contributions are recorded at fair value in the period donated.

**Furniture and Equipment** - Furniture and equipment consists of office furniture and equipment. Property, acquired by the Organization, with an original purchase price of more than \$5,000 is capitalized. Purchased assets are recorded at cost or fair value if contributed; depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Grants Receivable** - Grants receivable are due from the Florida Office of the Attorney General and are recorded in the period when services are provided. The Organization's grants receivable as of December 31, 2019, are due in less than one (1) year and management believes that all receivables are fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary.

**Due from Service Providers** - Amounts due from service providers includes the following:

- Victims of Crime Act ("VOCA") matching funds that are to be paid back to the Organization from non-federal funds.
- Network provider fees due from service providers as of December 31, 2019. These amounts are due in less than one (1) year and management believes that all receivables are fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary.

**Functional Allocation of Expenses** - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The cost of salaries and related benefits have been allocated based on the Organization's estimates of time and effort. Additionally, operating expenses have been allocated based upon the same estimate used for salaries and related benefits.

**Income Taxes** - The Organization is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the Organization has been determined not to be a private foundation under Section 509(a) of the Internal Revenue Code.

U.S. GAAP requires that a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

Due to its tax-exempt status, the Organization is not subject to U.S. federal income tax or state income tax. The Organization's Form 990 has not been subject to examination by the Internal Revenue Service or the State of Florida for the last three (3) years. The Organization does not expect the total amount of unrecognized tax benefits to significantly change in the next twelve (12) months. The Organization recognizes interest and/or penalties related to income tax matters in income tax expense. The Organization did not have any amounts accrued for interest and penalties at December 31, 2019.

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Estimates** - The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Subsequent Events** - Management has performed an analysis of the activities and transactions subsequent to December 31, 2019 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2019. Management has evaluated the subsequent events for recognition and disclosure through October 22, 2020, the date the financial statements were available to be issued.

**NOTE 2 - LINE OF CREDIT**

During the year ended December 31, 2018, the Organization executed a line of credit with a commercial bank and extended the line in July of 2019 with an increase in the available draw of \$50,000. As of December 31, 2019, and 2018, the outstanding balance due on the line amounted to \$520,000 and \$185,000, respectively, with a remaining balance available to draw in the amounts of \$30,000 and \$315,000, respectively. Interest and fee expense incurred on the line of credit amounted to \$17,531 and \$7,483 for the years ended December 31, 2019 and 2018. The line of credit is secured by accounts and other receivables.

**NOTE 3 - NET ASSETS WITH DONOR RESTRICTION**

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2019	2018
Purpose restriction accomplished:		
Allowable grant expenditures	\$ 156,335	\$ 854,990
Service provider payments	80,536	445,378
	\$ 236,871	\$ 1,300,368

Net assets with donor restrictions are available for the following purposes or periods:

	2019	2018
State of Florida General Appropriations Advanced funding	\$ -	\$ 236,871

**NOTE 4 - CONCENTRATIONS**

**Concentration of Revenue Sources:** The Organization's main sources of revenue are derived from grants, appropriations and fees received from the State of Florida. For the fiscal years ending December 31, 2019 and 2018, the Organization received 98% and 99%, respectively, of its total support and revenue from two (2) grants through the State of Florida.

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

**NOTE 4 – CONCENTRATIONS (continued)**

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits: The Organization maintains cash balances at a financial institution located in Florida. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2019 and 2018 the Organization’s uninsured cash balances totaled \$0 for both years, respectively.

**NOTE 5 - RELATED PARTY TRANSACTIONS**

The Children’s Campaign Inc. (a related Florida 501(c)(3) Corporation) maintains control over the Organization through approval and removal of the Organization’s Board of Directors. The Organization is contracted with The Children’s Campaign Inc. for the use of office space and various administrative, compliance and human resource functions (“fiscal agent fee”).

For the years ended December 31, 2019 and 2018, the Organization has incurred \$52,029 and \$41,880 in office rent, \$102,000 and \$135,525 in fiscal agent fees and \$2,973 and \$22,213 in reimbursed expenses to The Children’s Campaign, Inc. The contractual arrangement of office space and fiscal agent fee are negotiated rates determined annually.

During the year ended December 31, 2018, the Organization executed a line of credit promissory note with a financial institution in which a board member holds a key position. For the years ended December 31, 2019 and 2018, the Organization has paid \$17,531 and \$7,533, respectively, for interest expense and loan fees. Terms and amount outstanding as of December 31, 2019 and 2018, are further disclosed in Note 2. As of December 31, 2019 and 2018, the Organization also holds cash deposits with the same financial institution in the amounts of \$12,172 and \$105,925, respectively.

**NOTE 6 - PENSION PLAN**

The Organization created a simplified Employee Pension Plan in June 2017. All full-time employees, who are at least twenty-one (21) years of age and have been employed by the Organization during the current year, are eligible to participate in the SEP IRA plan. The percentage of employees’ earned wages to be used in calculating the employer contributions is set annually by the Organization’s Board of Directors. For 2019 and 2018, the employer contribution percentage was set at 5% of eligible participants’ compensation for both years. For the years ending 2019 and 2018, employer contributions amounted to \$20,737 and \$19,050, respectively.

**NOTE 7 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure within one (1) year as of December 31, 2019 and 2018 include the following:

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

**NOTE 7 - LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)**

	<u>2019</u>	<u>2018</u>
Cash	\$ 12,121	\$ 83,283
Grant receivables	609,341	576,545
Contributions and accounts receivable	-	2,916
Due from service providers	<u>93,397</u>	<u>4,708</u>
	<u>\$ 714,859</u>	<u>\$ 667,452</u>

The Organization monitors the cash balances and cash projections throughout the year and very closely at the end of each quarter. For the first three quarters of 2019, funds were received in advance from the State funded grant and transitioned to a reimbursement grant in the last quarter of 2019. The State funded grant allocations are remitted by the Florida Office of the Attorney General (“OAG”) each quarter and as a result, cash balance projections are reviewed closely each quarter to ensure that sufficient resources are available to meet the financial obligations of the Organization.

The Organization maintains a \$550,000 line of credit with a commercial bank as discussed in Note 2. The line of credit is used to fund the operations of the Open Doors Outreach Network and payments to providers for the Victims of Crime Act (“VOCA”) grant. VOCA is a cost reimbursement contract, and each provider must incur and pay the applicable costs before billing the Organization. The Organization reimburses the providers and then invoices the OAG for amounts spent. The line of credit is used to bridge the time gap between invoices and payments, As of December 31, 2019, \$30,000 was available to be drawn from the line of credit.

**NOTE 8 – CHANGES IN ACCOUNTING PRINCIPLES**

During 2019, the Organization adopted Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers*, which includes criteria on how entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Management has determined that this ASU did not significantly impact the Organization.

During 2019, the Organization adopted FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of ASC Topic 958, *Not for Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Management has determined that this ASU did not significantly impact the Organizations financial statements.

**SUPPLEMENTARY INFORMATION**

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**Year Ended December 31, 2019**

Grantor/Program Title	CFDA\ CSFA Number	Contract Number	Expenditures	Transfers to Subrecipients
<b>FEDERAL EXPENDITURES</b>				
<u>Department of Legal Affairs - Office of the Attorney General</u>				
2018 Victims of Crime Act (VOCA)	16.575	00276	\$ 2,093,812	\$ 2,053,600
2019 Victims of Crime Act (VOCA)	16.575	00338	<u>422,550</u>	<u>393,199</u>
Total expenditure of federal financial assistance			\$ <u>2,516,362</u>	\$ <u>2,446,799</u>
<b>STATE EXPENDITURES</b>				
<u>Department of Legal Affairs - Office of the Attorney General</u>				
2018 Florida Center for Children and Youth, Open Doors	41.024	K04530	\$ 969,106	\$ 377,280
2019 Florida Center for Children and Youth, Open Doors	41.024	K04795	<u>391,525</u>	<u>87,797</u>
Total expenditures of state financial assistance			\$ <u>1,360,631</u>	\$ <u>465,077</u>

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the Federal awards and State financial assistance activity of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida (the "Organization") for the year ended December 31, 2019 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 State of Florida Office of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**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 the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3. De Minimis Indirect Cost Rate Election**

The Organization has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

See independent auditors' report.

**REPORTS REQUIRED UNDER *GOVERNMENT AUDITING STANDARDS, OMB*  
*UNIFORM GUIDANCE, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-*  
*PROFIT ORGANIZATIONS, AND WITH CHAPTER 10.650, RULES OF THE STATE*  
*OF FLORIDA AUDITOR GENERAL***

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OF COUNSEL  
W. FREDERICK THOMSON, C.P.A.

**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***

To the Board of Directors  
Florida Center for Children and Youth, Inc.  
D/B/A Voices for Florida  
Tallahassee, 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 Florida Center for Children and Youth, Inc. D/B/A Voices for Florida (the "Organization"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 22, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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* and which are described in the accompanying schedule of findings and questioned costs.

### **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.

*Thomson Block Impact Company*

Tallahassee, Florida  
October 22, 2020

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OF COUNSEL  
W. FREDERICK THOMSON, C.P.A.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE  
PROJECT AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM  
GUIDANCE AND CHAPTER 10.650, RULES OF THE STATE OF  
FLORIDA OFFICE OF THE AUDITOR GENERAL**

To the Board of Directors  
Florida Center for Children and Youth, Inc.  
D/B/A Voices for Florida  
Tallahassee, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the Florida Center for Children and Youth, Inc. D/B/A Voices for Florida's (the "Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB*) *Compliance Supplement*, and the requirements described in the *Department of the Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended December 31, 2019. The Organization's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.650, *Rules of the State of Florida Auditor General*.

Those standards, Uniform Guidance, and Chapter 10.650, *Rules of the State of Florida Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance has occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and/or state project. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Organization's compliance.

### **Opinion on CFDA 16.575 Victims of Crime Act (VOCA) and CSFA 41.024 Florida Center for Children and Youth, Open Doors**

In our opinion, the Organization 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 year ended December 31, 2019.

### **Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

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, *Rules of the State of Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

*Thomson Black & Veatch Company*

Tallahassee, Florida  
October 22, 2020

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.  
D/B/A VOICES FOR FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2019**

**Part A - SUMMARY OF AUDIT RESULTS**

*Financial Statements*

Type of audit report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?     yes   X   no
- Significant deficiencies identified?   X   yes     none reported

Noncompliance material to financial statements noted?     yes   X   no

*Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified?     yes   X   no
- Significant deficiencies identified?     yes   X   none reported

Types of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?     yes   X   no

Identification of major federal programs:

<b>Federal Program</b>	<b>Federal CFDA Number</b>
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Victims of Crime Act (VOCA)	16.575
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Dollar threshold used to distinguish between type A and type B federal programs:	\$750,000
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Auditee qualified as low-risk auditee?     yes   X   no

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.  
D/B/A VOICES FOR FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2019**

**Part A - SUMMARY OF AUDIT RESULTS (Continued)**

*State Financial Assistance*

Internal control over major state projects:

- Material weakness(es) identified?                    \_\_\_ yes     X  no
- Significant deficiencies identified?                    \_\_\_ yes     X  none reported

Types of auditor’s report issued on compliance for major state projects:            *Unmodified*

Any audit findings disclosed that are required to be reported related to state financial assistance projects?    \_\_\_ yes     X  no

Identification of major projects:

<b>State Project</b>	<b>State CSFA Number</b>
Florida Center for Children and Youth, Open Doors	41.024
Dollar threshold used to distinguish between type A and type B state projects:	\$300,000

**Part B - FINANCIAL STATEMENTS FINDINGS**

<b>Finding Number</b>	<b>2019-001</b>
<b>Financial Statements</b>	Accounts Payable and Grant Revenue
<b>Accounts Titles</b>	
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	We noted that the refund for the General Revenue grant, period ending June 30, 2019, was not included in accounts payable as of December 31, 2019.

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.**  
**D/B/A VOICES FOR FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2019**

<b>Criteria</b>	FASB Codification 958-605-25-13, <i>Not-for-Profit Entities – Revenue Recognition</i> ; A transfer of assets with a conditional promise to contribute them shall be accounted for as a refundable advance until the conditions have been substantially met or explicitly waived by the donor. Some entities transfer cash or other assets with both donor-imposed restrictions and stipulations that impose a condition on which a gift depends. If a restriction and a condition exist, the transfer shall be accounted for as a refundable advance until the condition on which it depends is substantially met. A transfer of assets after a conditional promise to give is made and before the conditions are met is the same as a transfer of assets with a conditional promise to contribute those assets. A change in the original conditions of the agreement between promisor and promisee shall not be implied without an explicit waiver.
<b>Condition</b>	Amounts due back to the Office of the Attorney General related to the General Revenue grant were not recorded as a liability on December 31, 2019.
<b>Cause</b>	Management did not obtain a final determination on the reconciliation of remaining advanced funds for the General Revenue grant period ending June 30, 2019 until after the Organization’s calendar year end December 31, 2019. When the determination was made it was recorded at that point in time and not as of June 30, 2019.
<b>Effect</b>	Liabilities were understated and grant revenue was overstated by \$106,071.
<b>Recommendation</b>	We recommend that the Organization record remaining advance funds at the end of the grant period as amounts due back to the office of the Attorney General.
<b>Management’s Response</b>	See Management’s Corrective Plan (Page 24)

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.  
D/B/A VOICES FOR FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2019**

**Part C - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**Part D - STATE PROJECT FINDINGS AND QUESTIONED COSTS**

None.

**Part E - PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**Part F - PRIOR YEAR STATE PROJECT FINDINGS AND QUESTIONED COSTS**

None.

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.  
D/B/A VOICES FOR FLORIDA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
Year Ended December 31, 2019**

**Board of Directors**

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VICE CHAIR

Clint Weber  
SECRETARY

Richard Herring  
TREASURER

Cathy Craig-Myers

Linda Alexionok  
PRESIDENT

Bruce May  
LEGAL COUNSEL  
HOLLAND & KNIGHT

**Finding Number: 2019-001**

**Planned Corrective Action:**

As recommended, management will review and ensure all journal entries and year-end accruals are recorded timely and in the correct stated period. In addition, management will accrue for any known or unresolved adjustment for the stated period in advance of the conclusion of the accounting period.

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OF COUNSEL  
W. FREDERICK THOMSON, C.P.A.

**MANAGEMENT LETTER**

To the Board of Directors  
Florida Center for Children and Youth, Inc.  
D/B/A Voices for Florida  
Tallahassee, Florida

**Report on the Financial Statements**

We have audited the financial statements of the Florida Center for Children and Youth, Inc. D/B/A Voices for Florida (“the Organization”) as of and for the year ended December 31, 2019, and have issued our report thereon dated October 22, 2020.

**Auditors’ Responsibility**

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.

**Other Reporting Requirements**

We have issued our 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, Independent Auditors’ Report on Compliance for each Major Federal Program and Major State Project and report on Internal Control over Compliance in Accordance with the Uniform Guidance and Chapter 10.650, Rules of the State of Florida Office of the Auditor General. Disclosures in those reports and schedule, which are dated, should be considered in conjunction with this management letter.

**Additional Matters**

Section 10.654(1)(e), Rules of the State of Florida Auditor General, requires that we communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or Federal Program and State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, the following matters are required to be disclosed:

## **PRIOR YEAR COMMENTS**

### **1. Reconciling Filed Grant Reports with General Ledger:**

In the prior year, we noted differences in payroll and training expenses while reconciling the reports filed through E-Grants and the Florida Office of the Attorney General to the general ledger. After further review, the reports appeared to have been filed correctly. In accordance with the Uniform Guidance under the reporting compliance requirements, financial awards need to be supported by applicable accounting records. In the current year we noted differences that required an adjustment in the amount \$36,451. We continue to recommend that adjustments from OAG be recorded in QuickBooks and reconciled with amounts received from OAG.

#### **Management's Response:**

As noted, prior year reports were filed correctly. As recommended, we have begun Recording and reconciling adjustments for OAG in QuickBooks. Management is reviewing and reconciling invoices processed and paid by the Office of the Attorney General each month. Management has prepared a reconciliation schedule that is used by the Fiscal Agent to record and adjust monthly invoices as necessary based on the records of the processed payments from the Office of the Attorney General. A Monthly General Revenue/VOCA Adjustment Report has been created to account for any and all adjustments resulting from differences in General Revenue or VOCA reimbursement payments made by the O.A.G. This report will reflect that the adjustment was made to QuickBooks records. The Monthly General Revenue/VOCA Adjustment Report will be reviewed by management each month and will be reviewed during each FACE (Financial, Accounting, Compliance, and Evaluation) committee of the Board.

### **2. Check Signatures - RESOLVED:**

In the prior year, we noted that several checks in the population were not signed before being mailed to vendors. All checks did have an authorized check request form completed but lacked an authorized signature on the check instrument. We recommended that all checks be reviewed and signed prior to being mailed to vendors. In the current year, we did not discover any checks that were unsigned. This finding is resolved.

### **3. Approval of Check Request Forms – RESOLVED:**

In the prior year, we noted that check request forms were not properly authorized for three (3) of sixty (60) disbursements tested. Each sampled request form had a corresponding signed copy of the check by an authorized signer. We recommended that check request forms be properly authorized prior to checks being drafted. In the current year, we did not note any unauthorized disbursements. This finding is resolved.

#### **4. Allocation of Health Insurance Benefits for Employee – RESOLVED:**

In the prior year, an employee of the Organization was documented in the General Revenue (“GR”) Grant Budget to be paid 75% of their health insurance. Instead 100% of the employee’s health insurance was expensed against the General Revenue grant budget and the remaining 25% was reimbursed by The Children’s Campaign. The reimbursement did not offset the expense, but instead was recorded to “Core”. In the current year, management changed the accounting process for this reimbursement to be 100% GR and no reimbursement from The Children’s Campaign; however, the change took place mid-year and we noted reimbursements totaling \$1,176 that should have offset the expense for GR. These reimbursements are considered to be questioned costs but did not meet the threshold of reporting on the schedule of findings and questioned costs. This finding is resolved.

#### **5. Adjustments to Provider Invoices:**

In the prior year, providers were required to pay back funds for adjustments made by OAG after amounts were awarded by the Organization. Invoices submitted by providers are reviewed by the Organization prior to being paid. Invoices for those paid amounts are then submitted to OAG for reimbursement for the VOCA grant. The OAG will adjust invoices per their guidelines, and those adjustments were not being timely made to subsequent provider payments. We recommended that management adjust the following month’s provider payment for adjustments made by OAG. In the current year management was unable to correct subsequent invoices because the language was not built into the contracts with the sub-recipients. The Organization was able to collect funds from one of the sub-recipients that terminated the program, but unable to collect from the others. Management has updated the language in the contracts for the fiscal year 20/21 and plans to adjust invoices for these amounts each month.

#### **Management’s Response:**

As recommended, we will make monthly adjustments pursuant to our recently revised contracts with our providers. Management is reviewing and reconciling invoices processed and paid by the Office of the Attorney General each month. Any adjustments (disallowance or reduction) processed by the Attorney General are reviewed and if adjustments are necessary management is following up with each provider. As previously mention in item #1, a Monthly General Revenue/VOCA Adjustment Report has been created to account for any and all adjustments resulting from differences in General Revenue or VOCA reimbursement payments by OAG. Provider payment adjustments will be made in QuickBooks and reported on the Monthly General Revenue/VOCA Adjustment Report. This report will be reviewed by management each month and reviewed at each meeting of the Board FACE (Financial Accounting Compliance, and Evaluation) committee.

## **6. Approval of President's Reimbursements – RESOLVED:**

In the prior year, while reviewing the design of internal control over disbursements, we noted a potential weakness in the approval process of the President's reimbursements. To strengthen controls over reimbursement requests of the President, we recommended that the FACE Committee review and approve the reimbursement requests at least quarterly, even if the review and approval is after the amounts have been reimbursed. This review was implemented and began in the last quarter of 2019. This finding is resolved.

## **7. Accrual of Paid Time Off:**

In the prior year, while testing the accrual of paid time off, we noted that the change in expense was being recorded to the General Revenue grant. The accrual of paid time off is an estimated liability of the amount the Organization would be liable if employees were to terminate at the end of the fiscal year. The paid leave accrual was not billed to the General Revenue grant; however, we recommended that these amounts be recorded to the Organization's general ledger classification of "Core" instead of against the General Revenue grant. In the current year, the amounts were still being adjusted to the General Revenue Grant in QuickBooks.

### **Management's Response:**

Management tracks all earned and used paid time off each pay period and the associated liability is adjusted and accrued each quarter. Management agrees and will adjust financial statements prospectively to record the accrual and associated expense to the Core general ledger classification.

## **CURRENT YEAR COMMENTS**

## **8. Allocation of Staff Time to Other Funding Sources:**

While reviewing costs related to other funding sources, we noted that management was not adequately tracking time used by staff to properly allocate costs. The amounts discovered in the current year were immaterial and did not require adjustment. We recommend that management track staff time and overhead cost related to other revenue sources and allocate appropriately in QuickBooks.

### **Management's Response:**

As recommended, we have added detail to our staff time reports to allow detailed financial entries. Management began reviewing the time recording procedures during the 2020 calendar year and has implemented new procedures and new timesheet tracking schedules to record, segregate and track all time worked by function and associated funding sources, if any. Prior acceptance of any new funding sources, Management will update these time recording processes to reflect the new funding source and will prospectively track all time worked by funding source.

Florida Center for Children and Youth, Inc.

D/B/A Voices for Florida

October 22, 2020

Page 5

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Office of the Attorney General, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Thomson Black & Veatch Company*

October 22, 2020