

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Florida Guardian ad Litem Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Florida Guardian ad Litem Foundation, Inc. as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Florida Guardian ad Litem Foundation, Inc.'s basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Florida Guardian ad Litem Foundation, Inc., as of June 30, 2019, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

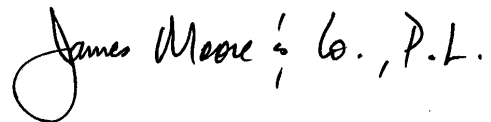
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-5 and 16-17, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2020, on our consideration of Florida Guardian ad Litem Foundation, Inc.'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Florida Guardian ad Litem Foundation, Inc.'s internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
April 21, 2020

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Management is pleased to offer the following assessment of the operations of Florida Guardian ad Litem Foundation, Inc. (the “Foundation”) for the year ending June 30, 2019.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Foundation’s basic financial statements. These basic statements consist of the government-wide financial statements and the fund financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Foundation’s finances in a manner similar to a private sector business. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities.

The *statement of net position* presents information on all of the Foundation’s assets and liabilities with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Foundation is improving or deteriorating.

The *statement of activities* presents information showing how the Foundation’s net position changed during the fiscal year. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The basic governmental-wide financial statements can be found on pages 6 - 7 of this report.

Fund financial statements *A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.* The Foundation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Foundation maintains one fund category, which is a governmental fund.

Governmental funds *Governmental funds* are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be used in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions.

The basic governmental fund financial statements can be found on pages 8 - 9 of this report.

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the organization. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Florida Guardian Ad Litem Foundation, Inc.'s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 10 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11 - 15 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Florida Guardian ad Litem Foundation, Inc.'s budgetary information. Required supplementary information can be found on page 16-17 of this report.

Government-wide Financial Analysis

The assets of Florida Guardian ad Litem Foundation, Inc. exceeded its liabilities at June 30, 2019, by \$402,513, 23% of this total or \$94,557 is unrestricted.

Net Position: Florida Guardian ad Litem Foundation, Inc.'s net position increased by \$309,874 from fiscal year 2019 due to the following:

- Additional contributions and an increase in the number of new donors.

Condensed Financial Statements

Net Position

	2019	2018
Current assets	\$ 100,134	\$ 91,106
Pledge receivable	307,956	-
Other assets	1,534	1,533
Accounts payable and accrued expenses	(7,111)	-
Net position	\$ 402,513	\$ 92,639

Changes in Net Position

	2019	2018
Program revenues:		
Operating grants and contributions	\$ 525,024	\$ 205,028
General revenues:		
Other	3,357	8,255
Total revenues	528,381	213,283
Expenses:		
Direct support	218,507	180,133
Increase in net position	309,874	33,150
Net position, beginning of year	92,639	59,489
Net position, end of year	\$ 402,513	\$ 92,639

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

General Fund Budgetary Highlights

- Increased grant funding expected from private foundations.
- Increased individual giving

All of these factors were considered in preparing the Florida Guardian ad Litem Foundation, Inc.'s budget for 2020 fiscal year.

Request for Information

This report is designed to provide a general overview of Florida Guardian ad Litem Foundation, Inc. finances for all those with an interest in the Foundation's finances. Questions concerning any of the information in this report or requests for additional information should be addressed as follows:

Florida Guardian ad Litem Foundation, Inc.
P.O. Box 10688
Tallahassee, FL 32302

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 100,134
Pledge Receivable	307,956
Other assets	1,534
Total Assets	409,624
LIABILITIES	
Accounts payable and accrued expenses	7,111
Total Liabilities	7,111
NET POSITION	
Unrestricted	94,557
Restricted	307,956
	402,513
Total Net Position	\$ 402,513

The accompanying notes to financial statements
are an integral part of this statement.

**FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
<u>Functions/Programs</u>			
Governmental activities			
Direct support	\$ 218,507	\$ 525,024	\$ 306,517
Total governmental activities	\$ 218,507	\$ 525,024	306,517
		General revenues:	
		Other	3,357
		Change in net position	309,874
		Net position, beginning of year	92,639
		Net position, end of year	\$ 402,513

The accompanying notes to financial statements
are an integral part of this statement.

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2019

	General Fund
ASSETS	
Cash and cash equivalents	\$ 100,134
Pledge receivable	307,956
Other assets	1,534
Total Assets	\$ 409,624
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued expenses	\$ 7,111
Fund balance:	
Unassigned	94,557
Restricted	307,956
	402,513
Total Liabilities and Fund Balance	\$ 409,624

The accompanying notes to financial statements
are an integral part of this statement.

**FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund
Support and revenue	
Public contributions	\$ 421,600
Events	1,758
Miscellaneous	3,357
Total revenues	426,715
 Expenditures	
Direct support	4,500
Events	17,811
Grant	28,720
Insurance	1,312
Miscellaneous	9,068
Office and personnel	7,562
Professional fees	14,685
Scholarship awards	31,973
Travel	1,210
Total expenditures	116,841
 Excess of revenues over expenditures	309,874
 Fund balance, beginning of year	92,639
 Fund balance, end of year	\$ 402,513

The accompanying notes to financial statements
are an integral part of this statement.

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019

	<u>Circuits 5 and 7 Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 14,710
Total Assets	<u>14,710</u>
LIABILITIES	
Agency- held for others	\$ 14,710
Total Liabilities	<u>14,710</u>
NET POSITION	
Net Position	<u>\$ -</u>

The accompanying notes to financial statements
are an integral part of this statement.

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Florida Guardian ad Litem Foundation, Inc. (the “Foundation”) which effect significant elements of the accompanying financial statements:

(a) **Description of government wide financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Foundation. There is a Fiduciary Fund related to funds held for other Circuits, which is excluded from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported as general revenues.

(b) **Reporting entity**—The Foundation is a nonprofit organization under Internal Revenue Code Section 501(c)(3) and is established as a direct or indirect benefit of the Statewide Guardian ad Litem Office (the “Department”) pursuant to Section 39.8296 of the Florida Statutes in 2002. The purpose of the Foundation is to support the programs, personnel and services of the Department. The Foundation is supported primarily through donor contributions, in-kind support from the Statewide Guardian ad Litem Office and grants.

The accounting policies adopted by the Foundation conform to accounting principles generally accepted in the United States of America as applied to not-for-profit organizations reporting using the governmental model. There were no entities that required inclusion as a component unit within the Foundation’s financial statements.

(c) **Basis of presentation – government-wide financial statements**—While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds even though the latter are excluded from the government-wide financial statements.

(d) **Basis of presentation – fund financial statements**—The fund financial statements provide information about the government’s funds. There is only one fund category, governmental, for which a fund financial statement is presented. The emphasis of fund financial statements is on the major governmental fund. There is only one major individual governmental fund reported in the fund financial statements.

The Foundation reports the following major governmental funds:

The *general fund* is established to account for resources devoted to directly supporting the State of Florida, Florida Guardian ad Litem Foundation, Inc. All operating resources are recorded in the general fund.

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Basis of presentation – fund financial statements** (Continued)

The Foundation also reports the following fiduciary fund type:

The *agency fund* is custodial in nature and does not involve measurement of results of operations. The Foundation's agency fund accounts for activities related to Statewide Circuit Guardian ad Litem non-profits for Circuit 5 and 7.

(e) **Measurement focus and basis of accounting**—The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources or economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable (flow of current financial resources measurement focus). The basis of accounting determines when transactions and economic events are reflected in the financial statements, and measurement focus identifies which transactions and events should be recorded.

Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and actual collection will occur either a) during the current period or, b) after the end of the period but in time to pay fund liabilities. Generally, grant revenues are recorded as revenue when they are susceptible to accrual and conditions of the grant have been satisfied. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources.

When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

(f) **Budgetary information**—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. The appropriated budget is prepared by fund.

(g) **Assets, liabilities, and net position/fund balance**—

(i) **Cash and Cash Equivalents** - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less.

(ii) **Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Assets, liabilities, and net position/fund balance** (Continued)

(iii) **Net position flow assumption** - Sometimes the Foundation will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Foundation’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

(iv) **Fund balance flow assumptions** - Sometimes the Foundation will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Foundation’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

(v) **Fund balance policies** - Fund balance of the governmental fund is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Foundation’s highest level of decision-making authority. The Foundation’s Board is the highest level of decision making authority for the Foundation that can, by a formal vote, prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the decision remains in place until a similar action is taken (the adoption of another decision) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Foundation for specific purposes but do not meet the criteria to be classified as committed. The Board may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

(vi) **Pledge Receivable**—Pledge receivable is stated at the amount management expects to collect from pledge balances outstanding at year-end. Based on management’s assessment of the history with individuals having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Revenues and expenditures—**

(i) **Contributions** - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases these net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted.

Contributed materials, facilities and services are recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the entity has adopted a policy of not implying a time restriction on contributions of such assets that expires. Therefore, all contributions of property and equipment, and of the assets contributed to acquire property and equipment, are recorded as unrestricted support or contributions.

(ii) **Income Taxes** - The Foundation is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for income taxes has been made in the accompanying financial statements.

The Foundation files income tax returns in the U.S. Federal jurisdiction. The Foundation's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Foundation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Foundation.

(2) **Detailed Notes on Major Fund:**

(a) **Deposits—Custodial credit risk-deposits.** In the case of deposits, this is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. At year end, the carrying amount of the Foundation's deposits was \$100,134 and the bank balance was \$101,310. The total bank balance is covered by Federal depository insurance or by collateral held by the Foundation's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(2) **Detailed Notes on Major Fund:** (Continued)

(b) **In-Kind Support**—In-kind contributions of facilities, and services are reflected as direct support in the statement of activities at their estimated fair value when received. The primary source of the Foundation’s in-kind support of \$101,666 is from the Department for operating costs. In-kind facilities, and services from all sources consist of the following for the year ended June 30, 2019:

Office space and salaries	\$ <u>101,666</u>
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(3) **Other Information:**

(a) **Risk Management**—The Foundation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Foundation carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Personal Property
- Public Officials’ Liability

There have not been any settlements in excess of insurance coverage.

(b) **Subsequent Events**—Subsequent to June 30, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Foundation as of April 21, 2020, management believes that a material impact on the Foundation's financial position and results of future operations is reasonably possible.

REQUIRED SUPPLEMENTARY INFORMATION

**FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>General Fund</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Support and Revenue				
Public contributions	\$ 147,000	\$ 147,000	\$ 421,600	\$ 274,600
Events	-	-	1,758	1,758
Miscellaneous	13,008	13,008	3,357	(9,651)
Total revenues	<u>160,008</u>	<u>160,008</u>	<u>426,715</u>	<u>266,707</u>
Expenditures				
Direct support	40,000	40,000	4,500	35,500
Events	40,000	40,000	17,811	22,189
Grant	18,008	18,008	28,720	(10,712)
Insurance	1,500	1,500	1,312	188
Miscellaneous	20,000	20,000	9,068	10,932
Office and personnel	5,000	5,000	7,562	(2,562)
Professional fees	10,500	10,500	14,685	(4,185)
Scholarship Awards	25,000	25,000	31,973	(6,973)
Travel	-	-	1,210	(1,210)
Total expenditures	<u>160,008</u>	<u>160,008</u>	<u>116,841</u>	<u>43,167</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>309,874</u>	<u>309,874</u>
Fund balance, beginning of year	92,639	92,639	92,639	-
Fund balance, end of year	<u>\$ 92,639</u>	<u>\$ 92,639</u>	<u>\$ 402,513</u>	<u>\$ 309,874</u>

The accompanying notes to schedule of revenues, expenditures
and changes in fund balance - budget and actual are an integral part of this schedule.

**FLORIDA GUARDIAN AD LITEM FOUNDATION, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

(1) **Summary of Significant Accounting Policies:**

The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual is presented using the Florida Guardian ad Litem Foundation, Inc.’s budget format for all governmental funds.

(2) **Budgetary Basis of Accounting:**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget presented for fiscal year ended June 30, 2019, according to Board procedures.

Budgets are presented on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

**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 Guardian ad Litem Foundation, Inc.:

We have audited, 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, the financial statements of the governmental activities and the major fund of Florida Guardian ad Litem Foundation, Inc. as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Florida Guardian ad Litem Foundation, Inc.'s basic financial statements, and have issued our report thereon dated April 21, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Florida Guardian ad Litem Foundation, Inc.'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Florida Guardian ad Litem Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Florida Guardian ad Litem Foundation, Inc.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies to be material weaknesses:

Finding 2019-001: Preparation of Financial Statements in Accordance with GAAP and Material Adjustments

Condition and Criteria: The internal controls of Florida Guardian ad Litem Foundation, Inc. have focused primarily on the objective of effectiveness and efficiency of operations (i.e., performance and mission goals and safeguarding of resources). However, the system of internal control over the objectives of reliability of financial reporting contains certain deficiencies. A key element of financial reporting is the ability of management to select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles.

Cause: For the year ended June 30, 2019, certain adjustments were required to be made to the accounting records subsequent to the start of the audit process. Since these adjustments resulted in a material misstatement of the financial statements, this deficiency is deemed to be a material weakness.

Effect: Financial statements would be materially misstated if significant adjustments were not made.

Recommendation: We recommend management select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles.

Finding 2019-002: Segregation of Duties

Condition and Criteria: Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is the segregation of duties. Due to the size of the Foundation's accounting and administrative staff certain internal controls are not in place that would be preferred if the staff were large enough, to provide optimum segregation of duties.

Cause: One employee is responsible for collecting payments, entering deposits into the accounting system and making deposits at the financial institution. Also, there are no reviews of journal entries or monthly bank reconciliations made during the year.

Effect: There is an increased risk of manipulation of cash receipts and disbursements that could result in the financial statements being material misstated and misappropriation of assets.

Recommendation: We recommend that the Board continue to be actively involved in the Foundation's transactions through review of monthly board packets and financials.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether Florida Guardian ad Litem Foundation, Inc.'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*.

Florida Guardian ad Litem Foundation, Inc.'s Response to Findings

Florida Guardian ad Litem Foundation, Inc.'s response to the findings identified in our audit are described in the accompanying Corrective Action Plan. Florida Guardian ad Litem Foundation, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

James Moore & Co., P.L.

Tallahassee, Florida
April 21, 2020



Corrective Action Plan

Finding 2019-001: Preparation of Financial Statements in Accordance with GAAP and Material Adjustments

The Florida Guardian ad Litem Foundation is in the process of developing appropriate accounting principles to prepare its financial statements. Adjustments and journal entries reflecting those adjustments will be made in a timely manner. All necessary adjustments will be performed by June 30, 2020.

Finding 2019-002: Segregation of Duties

The Florida Guardian ad Litem Foundation is a small non-profit organization with one employee. Due to this limited staff size it is extremely difficult to have all recommended segregation of duties enacted. The Foundation has a state office employee open the mail and then give the items to the Foundation CEO. The State Employee makes all deposits in a timely manner with appropriate documentation. All disbursements are documented with receipts and/or invoices secured for future reference.

The Board of Directors reviews bank reconciliations and current financial statements on a bi-monthly basis.