

**THE FAMILY C.A.F.E., INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2021**

**THE FAMILY C.A.F.E., INC.**  
**TABLE OF CONTENTS**  
**SEPTEMBER 30, 2021**

	<u>Page(s)</u>
<b>Independent Auditors' Report</b>	1 – 2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 15
<b>Schedule of State Financial Assistance</b>	16
<b>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 <i>Government Auditing Standards</i></b>	17 – 18
<b>Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance required by Chapter 10.650, Rules of the State of Florida, Office of the Auditor General</b>	19 – 20
<b>Schedule of Findings and Questioned Costs – State Projects</b>	21 – 22
<b>Corrective Action Plan</b>	23

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
The Family C.A.F.E., Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Family C.A.F.E., Inc. (the "Organization"), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 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 opinion.

### ***Opinion***

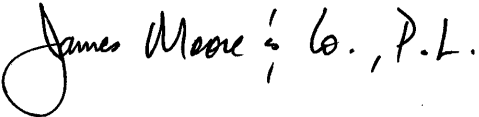
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of State Financial Assistance as required by Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of State Financial Assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2022, on our consideration of the Organization'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 the Organization's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida  
June 21, 2022

**THE FAMILY C.A.F.E., INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2021**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 1,227,847
Grant, contract and other receivables	43,401
Prepaid expenses	45,184
Total current assets	<u>1,316,432</u>
<b>Property and equipment, net</b>	<u>3,777</u>
<b>Other assets</b>	
Investments, cash portion	162,713
Investments	91,743
Total other assets	<u>254,456</u>
<b>Total Assets</b>	<u><u>\$ 1,574,665</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Accounts payable and accrued expenses	\$ 20,714
Florida Department of Education payable	215,767
Deferred revenue	24,609
Refundable advance - Paycheck Protection Program	104,547
Total current liabilities	<u>365,637</u>
<b>Long-term liabilities</b>	
Deferred compensation payable	<u>254,456</u>
Total long-term liabilities	<u>254,456</u>
<b>Total liabilities</b>	<u><u>620,093</u></u>
<b>Net assets</b>	
Without donor restrictions	
Undesignated	950,572
With donor restrictions	
Purpose restricitons	4,000
Total net assets	<u>954,572</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,574,665</u></u>

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

**THE FAMILY C.A.F.E., INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenues</b>			
Grants and contracts	\$ 1,520,205	\$ -	\$ 1,520,205
Exhibits	45,675	-	45,675
Registrations	8,994	-	8,994
Contributions and other	103,514	-	103,514
Investment return	25,556	-	25,556
Loan forgiveness - Paycheck Protection Program	102,756	-	102,756
Total support and revenues	<u>1,806,700</u>	<u>-</u>	<u>1,806,700</u>
<b>Expenses</b>			
Program services	1,837,081	-	1,837,081
Supporting services	76,701	-	76,701
Total expenses	<u>1,913,782</u>	<u>-</u>	<u>1,913,782</u>
<b>Decrease in net assets</b>	<u>(107,082)</u>	<u>-</u>	<u>(107,082)</u>
<b>Net assets, beginning of year</b>	1,057,654	4,000	1,061,654
<b>Net assets, end of year</b>	<u>\$ 950,572</u>	<u>\$ 4,000</u>	<u>\$ 954,572</u>

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

**THE FAMILY C.A.F.E., INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Program Services</b>	<b>Supporting Services</b>	<b>Total</b>
Conference	\$ 695,860	\$ -	\$ 695,860
Depreciation	128	1,155	1,283
Insurance	-	6,738	6,738
Miscellaneous	7,552	17,456	25,008
Office	18,358	6,818	25,176
Postage and delivery	388	4	392
Printing and reproduction	1,314	-	1,314
Professional fees	351,265	13,844	365,109
Rent	17,318	23,482	40,800
Salary and benefits	666,494	2,972	669,466
Telephone	20,569	-	20,569
Travel and meals	53,981	4,232	58,213
Utilities	3,854	-	3,854
	<u>\$ 1,837,081</u>	<u>\$ 76,701</u>	<u>\$ 1,913,782</u>

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

**THE FAMILY C.A.F.E., INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<b>Cash flows from operating activities</b>	
Cash received from grantors, contractors, and contributors	\$ 1,475,812
Cash paid to employees and vendors	(1,830,247)
Interest received	9,743
Net cash used in operating activities	<u>(344,692)</u>
 <b>Cash flows from financing activities</b>	
Proceeds from Paycheck Protection Program	104,547
<b>Net decrease in cash and cash equivalents</b>	<u>(240,145)</u>
<b>Cash and cash equivalents, beginning of year</b>	1,630,705
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 1,390,560</u></u>
 <b>Cash and cash equivalents classified as:</b>	
Cash and cash equivalents	\$ 1,227,847
Investments, cash portion	162,713
Total cash and cash equivalents	<u><u>\$ 1,390,560</u></u>
 <b>Reconciliation of decrease in net assets to net cash used in operating activities</b>	
Decrease in net assets	<u>\$ (107,082)</u>
Adjustments to reconcile decrease in net assets to net cash used in operating activities	
Depreciation	1,283
Loan forgiveness - Paycheck Protection Program	(102,756)
Unrealized gain on investments	(15,813)
Decrease in grant, contract and other receivables	22,314
Increase in prepaid expenses	(29,703)
Increase in accounts payable and accrued expenses	10,001
Decrease in deferred revenue	(212,891)
Increase in deferred compensation payable	89,955
Total adjustments	<u>(237,610)</u>
<b>Net cash used in operating activities</b>	<u><u>\$ (344,692)</u></u>

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



**THE FAMILY C.A.F.E., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

The following is a summary of the more significant accounting policies and practices of The Family C.A.F.E., Inc. (the “Organization”) which affect significant elements of the accompanying financial statements:

(a) **Organization and Purpose**—The Organization was incorporated in Florida on October 8, 1998 as The Family C.A.F.E., Inc. The Organization offers information and training opportunities to individuals with disabilities and special health care needs, self-advocates and their families in a family-centered and collaborative environment. The Organization plans and arranges a statewide conference that provides families and self-advocates with a forum to educate themselves on how to utilize the programs available, enabling the greatest participation possible by any and all interested parties.

(b) **Property and Equipment**—Property and equipment acquired by the Organization is considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. The Federal Government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

Property and equipment with a value greater than \$1,000 and an estimated useful life of at least one year is recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from five to ten years.

(c) **Income Taxes**—The Organization is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements. The Organization files income tax returns in the U.S. Federal jurisdiction. The Organization’s income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Organization has reviewed and evaluated the relevant technical merits of each of their 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 Organization.

(d) **Cash and Cash Equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, amounts in demand deposits held with banks, and short-term investments with an original maturity date of ninety days or less.

(e) **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.

**THE FAMILY C.A.F.E., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

(f) **Basis of Accounting**—The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

(g) **Basis of Presentation**—The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

(h) **Functional Allocation of Expenses**—The costs of providing the various program services and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

(i) **Contributions**—All contributions are considered to be available for undesignated use unless specifically designated by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions which increases this net asset class. However, if a designation is fulfilled in the same time period in which the contribution is received, the entity reports the support as net assets without donor restriction.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has designated the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. The value of donated materials and services is included in the Statement of Activities.

(j) **Exhibitor Fees**—Exhibitor fees are recognized as revenue at the time of the exhibit.

(k) **Grant, Contract and Other Receivables**—Grant, contract and other receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with grantors and contractors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial.

**THE FAMILY C.A.F.E., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

(l) **Grant and Contract Revenue Recognition**—The Organization receives all of its grant and contract revenue from Federal, state and local agencies. The Organization recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract. Amounts earned but not received are reported as grants, contracts, and accounts receivable. Amounts received but not earned are reported as deferred revenue.

(m) **Adoption of New Accounting Standards**—In May 2014, the FASB issued Accounting Standards Update 2014-09: Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. The new standard was implemented by the Organization during the year ended September 30, 2021. The Organization has evaluated the effect of implementation of the new standard noting no material effect to the financial statements.

(n) **Net Assets** — Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

(2) **Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

(a) **Demand Deposits**—The Organization maintains cash deposits with one financial institution. The Organization has no policy requiring collateral to support its deposits, although all deposits with these institutions are insured by the Federal Deposit Insurance Corporation up to FDIC limits.

(b) **Grant, Contract and Other Receivables**—The Organization's receivables are for amounts due under grants and contracts with the Federal, state and local government agencies. The Organization has no policy requiring collateral or other security to support its receivables.

(c) **Financial Instruments**—Financial instruments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Credit risk is a consequence of carrying investment positions. To manage credit risk, the Organization holds investments with a broker that is covered by SPIC (Securities Investor Protection Corporation); however, this does not protect against loss due to market fluctuation.

**THE FAMILY C.A.F.E., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(3) **Property and Equipment:**

The following is a summary of property and equipment at September 30, 2021:

Furniture and fixtures	\$	5,907
Computers and equipment		14,928
		20,835
Less: accumulated depreciation		17,058
Total	\$	3,777

(4) **Significant Funding Sources:**

The Organization receives a substantial amount of its funding from the United States Department of Education and the United States Department of Health and Human Services. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Organization's programs and activities

(5) **Florida Department of Education Payable:**

Amounts received for cost reimbursement grant contracts that are not spent by the end of the grant term are required to be paid back to the grantor at the end of the grant term. These amounts are recorded as Florida Department of Education payable in the financial statements.

The amounts due back to the grantor as of September 30, 2021 are as follows:

<b><u>Contract Number</u></b>	<b><u>Amount</u></b>
37F-90745-0Q001	\$ 215,767

(6) **Contingencies:**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

(7) **In Kind Donations:**

In kind donations are recorded at fair value at the date of donation. Donations for The Annual Family Café conference were \$11,999 for the year ended September 30, 2021 and are included in contributions and other revenue and conference expenses in the Statement of Functional Expenses.

**THE FAMILY C.A.F.E., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(8) **Investments**

The Organization's other assets at September 30, 2021 consist of investments in marketable securities for the deferred compensation plan recorded at fair value as summarized below:

	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>
Mutual funds	\$ 61,595	\$ 91,743	\$ 30,148

The following schedule summarizes the investment return for the year ended September 30, 2021:

Interest	\$ 9,743
Unrealized gain	15,813
Investment return	\$ 25,556

Investments in marketable securities with readily determinable fair values are reported at fair values in the Statement of Financial Position.

(9) **Fair Value Measurements:**

On October 1, 2016, the Organization adopted the provisions of FASB ASC 820-10 which provides a framework for measuring fair value under generally accepted accounting principles. These standards define fair value, provide guidance for measuring fair value and require certain disclosures. These standards do not require any new fair value measurements, but rather apply to all other accounting pronouncements that require or permit fair value measurements.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The following is a brief description of the three levels within the fair value hierarchy that prioritize the inputs to valuation techniques:

- **Level 1:** Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities that are not active. Such inputs may include interest rates and yield curves, volatilities, prepayment speeds, credit risks, and default rates.
- **Level 3:** Unobservable inputs to measure fair value of assets and liabilities for which there is little, if any market activity at the measurement date, using reasonable inputs and assumptions based upon the best information at the time, to the extent that inputs are available without undue cost and effort.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**THE FAMILY C.A.F.E., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(9) **Fair Value Measurements:** (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021.

*Mutual funds*– Valued at quoted market prices.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a summary of the valuation as of September 30, 2021 for the Organization’s investments based upon the three levels defined above:

	<u>Fair Value</u>	<u>Quoted Prices (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Equity mutual funds	\$ 71,334	\$ 71,334	\$ -	\$ -
Fixed income mutual funds	20,409	20,409	-	-
Total investments at fair value	<u>\$ 91,743</u>	<u>\$ 91,743</u>	<u>\$ -</u>	<u>\$ -</u>

(10) **Related Party Transactions:**

A family member of the President/CEO was paid \$91,480 for video production, social media management and marketing services during the year ended September 30, 2021.

(11) **Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following at September 30, 2021:

Equipment	<u>\$ 4,000</u>
Total	<u>\$ 4,000</u>

(12) **Deferred Compensation Plan:**

The Organization has a non-qualified deferred compensation plan for certain members of management. The deferred compensation accounts are shown as both assets and liabilities on the Organization’s financial statements and are available to creditors in the event of the Organization’s liquidation. Employer contributions were \$74,273 for the year ended September 30, 2021.

**THE FAMILY C.A.F.E., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(13) **Operating Leases:**

The Organization leases office space under an operating lease expiring in 2024. Rent expense for the year ended September 30, 2021 under the lease was \$40,800. Minimum future rental payments under operating leases as of September 30, 2021, for each of the next five years and in the aggregate are:

<u>Year</u>	<u>Amount</u>
2022	\$ 41,600
2023	43,200
2024	28,800
2025	-
2025	-
	<u>\$ 113,600</u>

(14) **Defined Contribution Plan:**

The Organization sponsors a defined contribution SIMPLE IRA retirement plan covering all employees. The Organization provides an annual contribution of 3% of an eligible employee's salary. Contributions to the plan for the year ended September 30, 2021, were \$6,536.

(15) **Liquidity and Availability:**

Financial assets available for general expenditure, that is, without donor restrictions or internally board designations limiting their use, within one year of the Statement of Financial Position date, comprise the following:

Cash and cash equivalents	\$ 1,227,847
Grants and other receivables	43,401
Purpose restrictions	(4,000)
Financial assets available to meet cash needs for general expenditures	<u>\$ 1,267,248</u>

(16) **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 21, 2022, the date which the financial statements were available to be issued.

**THE FAMILY C.A.F.E., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(17) **Risks and Uncertainties:**

During the year ended September 30, 2021, 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 Organization as of June 21, 2022, management believes that a material impact on the Organization's financial position and results of future operations is reasonably possible.

(18) **Loan Forgiveness – Paycheck Protection Program:**

On April 14, 2020, the Organization received proceeds in the amount of \$102,756 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides funding to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The proceeds are forgivable after eight weeks or twenty-four weeks (the period has not been chosen to date by the Organization) as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight or twenty-four-week period.

During the year ended September 30, 2021, the loan was forgiven for the entirety of the principal and accrued interest. The Organization has recognized the contribution as debt forgiveness income on the Statement of Activities.

(19) **Refundable Advance– Paycheck Protection Program:**

On February 5, 2021, the Organization received proceeds in the amount of \$104,547 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides funding to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The proceeds are forgivable after twenty-four weeks as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight- or twenty-four-week period.

The Organization has recorded the PPP proceeds as a refundable advance in the accompanying financial statements, since it has not received legal forgiveness as of September 30, 2021. The PPP proceeds, which was in the form of a refundable advance dated February 5, 2021, matures on February 5, 2026 and bears interest at a rate of 1.0% per annum, payable monthly commencing on May 5, 2022. Subsequent to year-end, the Organization has received notice of loan forgiveness from its financial institution.



**THE FAMILY C.A.F.E., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(20) **Recently Issued Accounting Pronouncements:**

The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or operations in the near term.

In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2021 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

**THE FAMILY C.A.F.E., INC.  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract Number</u>	<u>State Expenditures</u>
<b>Florida Department of Education</b> Family CAFÉ	48.149	37F-90745-1Q001	\$ 878,664
<b>Total State Financial Assistance</b>			<u>\$ 878,664</u>

**Basis of Presentation:**

The accompanying Schedule of State Financial Assistance includes State award activity of The Family C.A.F.E., Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**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,  
The Family C.A.F.E., 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 Family C.A.F.E., Inc. (the "Organization"), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, statement of functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated June 21, 2022.

**Internal Control Over Financial Reporting**

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

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 in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 to be a material weakness.

## **Compliance and Other Matters**

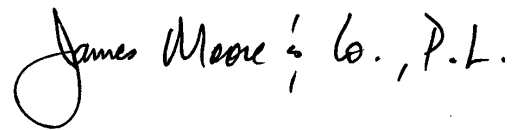
As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The Family C.A.F.E., Inc. 's Response to Finding**

The Family C.A.F.E., Inc. 's response to the finding identified in our audit is described in the accompanying corrective action plan. The Family C.A.F.E., 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  
June 21, 2022

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

To the Board of Directors,  
The Family Cafe, Inc.:

**Report on Compliance for Each Major State Project**

We have audited The Family Cafe, Inc. (the "Organization")'s compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major state projects for the year ended September 30, 2021. The Organization's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the state statutes, regulations, and the terms of its state projects applicable to its state projects.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major 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 Chapter 10.650, Rules of the Auditor General. Those standards and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. 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 state project. However, our audit does not provide a legal determination of the Organization's compliance.

***Opinion on Each Major State Project***

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 its major state project for the year ended September 30, 2021.

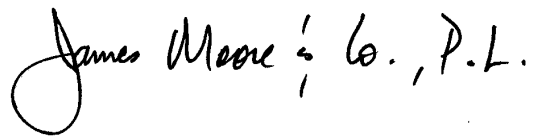
## Report on Internal Control Over Compliance

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 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 state project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of 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 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 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 as combination of deficiencies, in internal control over compliance with the type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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 weaknesses. 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 results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Tallahassee, Florida  
June 21, 2022

**THE FAMILY CAFE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS—STATE PROJECTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

I. **Summary of Auditors' Results:**

*Financial Statements*

A. Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?        yes   X   no

*State Financial Assistance*

Internal control over major state projects:

- Material weakness(es) identified?        yes   X   no
- Significant deficiency(ies) 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

B. Identification of major programs:

<b>State Projects</b>	<b>State CSFA Number</b>
Family CAFÉ	48.149
Dollar threshold used to distinguish between type A and type B program:	\$300,000

**THE FAMILY CAFE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
(Continued)

**II. Financial Statement Findings:**

**Finding 2021-001: Preparation of Financial Statements in Accordance with GAAP and Audit Adjustments**

**Criteria:** Under professional standards promulgated by the American Institute of Certified Public Accountants, there is an assumption that a deficiency in internal control exists when the financial statements and related disclosures are drafted by the auditor, unless the Organization possesses an accounting department that is staffed with personnel with the requisite skills and training to perform such functions.

**Condition:** Management is responsible for the fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”) including adjusting the financial statements.

**Cause:** The size of the Organization’s accounting and administrative staff precludes certain internal controls that would be preferred – including preparation of financial statements and adjustments.

**Effect:** Errors or material misstatements in the financial statements presented to the board by management may exist and not be detected.

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

**III. State Project Findings and Questioned Costs:** Nothing to report.

**IV. Independent Auditors’ Management letter required by Chapter 10.650, Rules of the State of Florida, Office of the Auditor General:** Nothing to report.

**V. State Project Prior Year Audit Findings:**

**Finding 2020-002: Information on the State Project: CSFA 48.149. Family CAFÉ. Award Number: 37F-90745-0Q001. Compliance Requirement: Allowable Costs.**

Resolved. Management implemented corrective action during the year ending September 30, 2021.

**Finding 2020-003: Information on the State Project: CSFA 48.149. Family CAFÉ. Award Number: 37F-90745-0Q001. Compliance Requirement: Allowable Costs.**

Resolved. Management implemented corrective action during the year ending September 30, 2021.





820 East Park Avenue  
Suite F-100  
Tallahassee, FL 32301

Corrective Action Plan to Address Finding in the 2020-2021 Financial Audit

Finding 2021-001

The Family Café, Inc. will accept the finding. We have retained a third party CPA to help adjust the books to a full accrual basis annual and we expect the finding to be resolved in the next fiscal year.

*Louie Fahey*  
6-21-22

820 East Park Avenue, Suite F-100 • Tallahassee, FL 32303 • [www.FamilyCafe.net](http://www.FamilyCafe.net)

850/224-4670 • 888/309-CAFÉ (2233) toll free • 850/224-4674 fax