

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
FINANCIAL REPORT

For the Year Ended June 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Monique Burr Foundation for Children, Inc.

Opinion

We have audited the accompanying financial statements of Monique Burr Foundation for Children, Inc. (a Florida not-for-profit corporation), which comprise the statement of financial position as of June 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Monique Burr Foundation for Children, Inc. as of June 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Monique Burr Foundation for Children, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Monique Burr Foundation for Children, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Monique Burr Foundation for Children, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Monique Burr Foundation for Children, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of State financial assistance, as required by Chapter 10.650, *Rules of the Auditor General of the State of Florida*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures 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 July 25, 2022, on our consideration of the Monique Burr Foundation for Children, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Monique Burr Foundation for Children, Inc.'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 the Monique Burr Foundation for Children, Inc.'s internal control over financial reporting and compliance.

Other Matters

Subsequent Event: COVID-19 Pandemic

As discussed in Note 16 to the financial statements, management has evaluated the operational and financial effect on the Organization of the COVID-19 pandemic. Our opinion is not modified with respect to that matter.

Alan, Krueger & Associates CPAs, LLC

St. Augustine, FL
July 25, 2022

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS

Cash and cash equivalents - unrestricted	\$	107,210
Cash and cash equivalents - restricted		17,299
Accounts receivable		337,322
Prepaid expenses		4,217
Inventory		323,749
Investments		2,233,738
Property and equipment, net		<u>32,873</u>
TOTAL ASSETS	\$	<u>3,056,408</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$	132,541
Refundable advances		<u>-</u>
TOTAL LIABILITIES		<u>132,541</u>

NET ASSETS

Without donor restrictions		2,335,491
With donor restrictions		<u>588,376</u>
TOTAL NET ASSETS		<u>2,923,867</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>3,056,408</u>

See accompanying notes

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Unrestricted</u>	<u>Donor Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
State contract income	\$ 1,659,805	\$ -	\$ 1,659,805
Contributions	394,676	-	394,676
Fundraising, net of direct expense \$90,573	289,082	-	289,082
Refundable advance income	140,040	-	140,040
Dividends and interest	67,435	23,275	90,710
Realized and unrealized gain on investments	<u>244,608</u>	<u>88,438</u>	<u>333,046</u>
Total revenue and support	<u>2,795,646</u>	<u>111,713</u>	<u>2,907,359</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>24,392</u>	<u>(24,392)</u>	<u>-</u>
EXPENSES			
Program	1,827,909	-	1,827,909
Management and general	65,931	-	65,931
Fundraising	<u>324,872</u>	<u>-</u>	<u>324,872</u>
Total expenses	<u>2,218,712</u>	<u>-</u>	<u>2,218,712</u>
CHANGE IN NET ASSETS	601,326	87,321	688,647
NET ASSETS, BEGINNING	<u>1,734,165</u>	<u>501,055</u>	<u>2,235,220</u>
NET ASSETS, ENDING	<u>\$ 2,335,491</u>	<u>\$ 588,376</u>	<u>\$ 2,923,867</u>

See accompanying notes

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Management & General	Fundraising	Total
Salaries and wages	\$ 653,458	\$ 19,248	\$ 28,008	\$ 700,714
Payroll taxes	46,666	1,302	1,971	49,939
Total payroll expenses	700,124	20,550	29,979	750,653
401k	22,503	765	1,098	24,366
Employee benefits	87,630	1,510	3,650	92,790
Professional services	421,470	881	258,508	680,859
Contract services	35,993	377	1,235	37,605
Program supplies	369,364	-	-	369,364
Office	40,242	758	5,499	46,499
Occupancy	41,991	410	1,461	43,862
Postage and shipping	3,140	-	334	3,474
Printing and copying	334	399	-	733
Dues and subscriptions	2,028	-	800	2,828
Travel and conferences	74,785	748	6,146	81,679
Staff development	1,854	1,779	370	4,003
Advertising	23,047	-	-	23,047
Insurance	-	11,875	-	11,875
Other expense	3,404	17,061	15,792	36,257
Total operating expenses	1,827,909	57,113	324,872	2,209,894
Depreciation	-	8,818	-	8,818
Total expenses	<u>\$ 1,827,909</u>	<u>\$ 65,931</u>	<u>\$ 324,872</u>	<u>\$ 2,218,712</u>

See accompanying notes

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 688,647
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	8,818
Unrealized and realized gain on investments	(333,046)
Net changes in:	
Accounts receivable	(69,621)
Prepaid expenses	(264)
Inventory	(170,436)
Accounts payable and accrued expenses	19,036
Refundable advances	<u>139,300</u>
Net cash provided by operating activities	<u>282,434</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(796,837)
Proceeds from sale of investments	350,562
Purchases of property and equipment	<u>(11,830)</u>
Net cash provided by investing activities	<u>(458,105)</u>

NET CHANGE IN CASH	(175,671)
CASH, BEGINNING	<u>300,180</u>
CASH, ENDING	<u>\$ 124,509</u>

SUPPLEMENTAL DISCLOSURE

CASH - UNRESTRICTED	\$ 107,210
CASH - RESTRICTED	<u>17,299</u>
TOTAL CASH	<u>\$ 124,509</u>

See accompanying notes

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

The Monique Burr Foundation for Children, Inc. (the "Foundation") is a Florida not-for-profit corporation established in 1997, which primarily provides a child safety, bullying and child abuse prevention program to Florida public elementary, middle, and high schools. The Foundation is supported through private individual, foundation and corporate contributions and grants, as well as a state appropriation of public funds, and is located in Jacksonville, Florida.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

New Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Revenue Recognition for the program services requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an Organization expects to be entitled in exchange for those goods and services. The Foundation has adjusted the presentation of these statements accordingly

Classification of Net Assets

The assets, liabilities, and net assets of the Foundation are reported in net asset classes as follows:

- a. Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation's board may designate assets without restrictions for specific operational purposes from time to time.
- b. Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donated Materials and Services

The Foundation records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment are reflected in the accompanying financial statements at their estimated value at date of receipt.

A substantial number of volunteers donate significant amounts of time to the Foundation's program services. Only those amounts pertaining to the need assessment of clients have been reflected in the financial statements since the contributions of those services required specialized skills. The remaining volunteer hours are not reflected in the financial statements since the contribution of services did not create or enhance non-financial assets or require specialized skills. Additionally, when professional services were provided, in-kind values are recorded as contributions.

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expense Allocation

The costs of providing the Foundation's programs and other activities have been summarized on a functional basis in the statement of activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided. The Foundation's expenses are classified in the following functions:

Program services – Activities performed by the Foundation to provide program services to children and adults.

Management and general – All costs and activities performed by the Foundation not identifiable to a program but are indispensable to the Foundation's existence, but do not directly support fundraising or program services. These expenses include business management, general recordkeeping, budgeting, financial reporting, and other expenses.

Fundraising – Activities performed by the Foundation to generate funds and/or resources to support its program and operations.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Project cost	Direct or time and effort
Education and training	Time and effort
Sub-contractors	Direct or Time and effort
Occupancy	Direct or time and effort
Utilities	Direct or time and effort
Repairs and maintenance	Direct or time and effort
Professional services	Time and effort
Other	Time and effort

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. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, actual results could differ from those estimated. The nature of these estimates, however, is such that variances from actual results are held to be immaterial.

Cash and Cash Equivalents

Cash and cash equivalents includes all cash balances and highly liquid investments with an original maturity of 90 days or less. Certificates of deposit are readily convertible to cash and are stated at cost plus accrued earnings, which approximate fair value.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectable amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to either accounts receivable. All accounts receivable were considered to be fully collectable by the Foundation at June 30, 2021 and consequently no allowance for uncollectable accounts was deemed necessary.

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are recorded at fair value. Investment income, including gains and losses on investments, are recorded as increase or decreases in unrestricted net assets unless limited by donor-imposed restrictions. Investments include unrestricted board designated funds in the Burr Family Endowment, and donor-restricted funds in the MBF Child Safety Matters Endowment. These funds are maintained in investment accounts managed by outside professional asset managers in accordance with the investment objectives and guidelines established by the Foundation's Finance Committee and the Board of Directors. The general long-term investment objective of the Foundation is to provide a reasonable rate of return to protect the value of fund assets and to help fund the Foundation's charitable activities and related expenses with investment income. To achieve this objective the investment accounts consist of a conservative and well-diversified portfolio containing fixed income and cash equivalent securities.

Inventory

The Foundation's programs include the provision of supplies to participating schools and organizations. Program inventories are valued at the lower of cost or market and are tracked on a first in first out basis.

Fair Value of Financial Instruments

All financial instruments are carried at amounts that approximate estimated fair value. Financial Accounting Standards Board ASC 820, *Fair Value Measurement* ("ASC 820"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation can access at the measurement date.

Level 2

Inputs to the valuation methodology are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable for the asset or liability. Unobservable inputs are defined as inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

Property and Equipment

Property and equipment are stated at cost, if purchased. Donations of property and equipment are recorded at their estimated fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Expenditures for renewals or improvements that either materially add value or prolong the useful lives of assets are capitalized. Expenditures that are less than \$1,000 are expensed as incurred.

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

Furniture, fixtures and equipment are depreciated using the straight-line method over their estimated useful lives, which range from 5 to 10 years. Depreciation expense for the year ended June 30, 2021 was \$8,818.

Program Services

The Foundation provides multiple child safety, bullying and child abuse prevention programs to Florida public schools at no cost to the schools. The same programs are sold to private schools, schools outside of Florida, child advocacy associations, and other organizations serving schools in order to generate funding for the ongoing development and delivery of prevention education programs.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances indicate a long-lived asset may be impaired, the asset value will be reduced to fair value. Fair value is determined through various valuation techniques including quoted market prices and third-party independent appraisals as considered necessary.

In addition to consideration of impairment due to events or changes in circumstances described above, management regularly evaluates the remaining lives of its long-lived assets. If estimates are revised, the carrying value of affected assets are depreciated or amortized over their remaining lives.

Accounting for Income Taxes

The Foundation has adopted FASB ASC 740-10, *Accounting for Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on analyses of various federal and state filing positions of the Foundation, management believes that its income tax filing positions and deductions are well documented and supported.

As of June 30, 2021, the Foundation had no temporary differences relating to the recognition of income and expenses for financial and tax reporting purposes. Accordingly, no deferred tax assets or liabilities are recorded. Additionally, as of June 30, 2021, the Foundation had no uncertain tax positions that would qualify for either recognition or disclosure in the financial statements. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to FASB ASC 740-10. In addition, no cumulative effect adjustment related to the adoption of FASB ASC 740-10 was recorded.

There have been no increases or decreases in unrecognized tax benefits for current or prior years since the date of adoption. Furthermore, no interest or penalties have been included since no reserves were recorded and no significant increases or decreases are expected to occur within the next 12 months. When applicable, such interest and penalties will be reported as income tax expense.

Since the tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge. At June 30, 2021, the periods that remain open to examination under federal statute include the years ended June 30, 2019 through June 30, 2021.

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Advertising

The Foundation uses advertising to promote its programs and fundraising activities. The costs of advertising are expensed as incurred. For the year ended June 30, 2021, advertising expenses totaled \$23,047.

Contributions

Unconditional contributions are recognized when received and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restrictions upon acquisition of the assets and the assets are placed in service.

Compensated Absences

All employees working 40 hours per week accrue vacation pay at a rate based on their length of service according to the following schedule.

<u>Length of Service</u>	<u>Hours Monthly</u>
0-4 years	6.667
5-9 years	10.000
10+ years	12.500

Employees working 35 to 39 hours per week earn annual leave on a proportionate basis. Full time employees may accrue a maximum of one year's worth of annual leave. Accrued vacation totaled \$48,731 and is included in wages on the statements of functional expenses and in accrued expenses and other liabilities on the statements of financial position.

In addition, all full-time employees earn non-investing sick pay benefits at the rate of 3.333 hours per full calendar month. The unused sick leave is not compensated in cash upon termination of the employee's service. Therefore, an accrual for accumulated nonvesting sick pay benefits is not required.

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following as of June 30, 2021:

Unrestricted cash	\$ 89,785
Restricted cash	9,183
Cash held in investment accounts	17,425
Restricted cash held in investment accounts	<u>8,116</u>
Total cash and equivalents	<u>\$ 124,509</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2021:

Furniture, fixtures and equipment	\$ 58,518
Less, accumulated depreciation	<u>(25,645)</u>
Property and equipment, net	<u>\$ 32,873</u>

NOTE 5 INVESTMENTS

Investments are stated at fair value which was determined by reference to quoted market prices for similar investments, yield curves and other relevant information. The value assigned to investments received by gift is the fair value at the date of donation. The investments all qualify as level one investments within the fair value hierarchy. Cost and fair value of investments are as follows as of June 30, 2021:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain/(Loss)</u>
Cash	\$ 25,541	\$ 25,541	\$ -
Equities	1,738,083	1,780,275	42,192
Fixed Income	<u>390,011</u>	<u>453,463</u>	<u>63,452</u>
Total Investments	<u>\$ 2,153,635</u>	<u>\$ 2,259,279</u>	<u>\$ 105,644</u>

The following schedule summarizes the investment activity from the endowment, inclusive of investment and cash accounts, and the endowment's classifications in the statement of activities for the year ended June 30, 2021:

	<u>Board Restricted</u>	<u>Donor Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2020	<u>\$ 1,377,899</u>	<u>\$ 490,555</u>	<u>\$ 1,868,454</u>
Investment return			
Investment income	67,435	23,275	90,710
Less fees	(9,856)	(3,483)	(13,339)
Net appreciation (realized and unrealized)	<u>244,608</u>	<u>88,438</u>	<u>333,046</u>
Total investment return	<u>302,187</u>	<u>9,348</u>	<u>410,417</u>
Appropriation of endowment			
Transfer in	-	-	-
Assets for expenditure	-	<u>(19,592)</u>	<u>(19,592)</u>
Total contributions, less expenditures	<u>-</u>	<u>(19,592)</u>	<u>(19,592)</u>
Endowment net assets, June 30, 2021	<u>\$ 1,680,086</u>	<u>\$ 579,193</u>	<u>\$ 2,259,279</u>

NOTE 6 ENDOWMENTS

The Foundation currently has two endowments; the Burr Family Endowment and the MBF Child Safety Matters Endowment. The Burr Family Endowment is a board restricted endowment whose funds are available to support the Foundation's program activities as needed. At June 30, 2021 the Burr Family Endowment had a balance of \$1,680,086.

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 ENDOWMENTS (Continued)

The MBF Child Safety Matters Endowment is a donor restricted endowment whose funds are available to support the Foundation's program activities subject to distribution rules set by the donor. Upon approval from the Foundation's Finance and Endowment Committee the Foundation may take a distribution in an annual amount up to 4% of a three-year moving average, which is calculated by the Finance and Endowment Committee using the market value of the Fund's total portfolio as of each September 30th. The calculated amount is to be paid out on January 1 of the next fiscal year. No distribution can be taken that would result in greater than a 10% reduction of principal of the fund. At June 30, 2021 the endowment had a balance of \$579,193.

NOTE 7 DONOR RESTRICTED NET ASSETS

Donor restricted net assets consisted of the following at June 30, 2021:

MBF Endowment	\$ 579,193
Other restricted funds	<u>9,183</u>
Total donor restricted net assets	<u>\$ 588,376</u>

NOTE 8 DONOR RESTRICTED NET ASSETS RELEASED FROM RESTRICTIONS

Program services and contributions were the source of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the grantor or donor. Donor restricted net assets released during the year ended June 30, 2021 totaled \$24,392.

NOTE 9 RELATED PARTY TRANSACTIONS

The client has its e-mail hosting and IT service paid for in-kind by a business owned by a member of the Board of Directors. The value of e-mail hosting and IT service provided by this related party for the year ended June 30, 2021 was \$17,659.

No transactions occurred with the son or daughter-in-law, just the daughter. The Organization did business with the CEO's daughter as follows: the CEO's daughter earned \$6,937 in exchange for curriculum development services.

The client received an in-kind lease through one of our board members, totaling \$25,945 for the year ended June 30, 2021.

NOTE 10 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan. Under the provisions of the plan all eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 4% of the employee's salary. For the year ended June 30, 2021, the amount of the Foundation's contribution was \$24,366.

NOTE 11 CONTINGENCIES

Federal, State and County funded programs are subject to special audits. Such audits could result in claims against the resources of the Foundation for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

NOTE 12 OPERATING LEASES

In June 2008 the Foundation entered into a lease agreement for the rental of office space for an eight year term. In June 2016 the lease was extended for another eight years ending in May 2024. The monthly

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 12 OPERATING LEASES (Continued)

expense for this lease is \$2,160. Lease expense charged to operations under all operating leases totaled \$25,945 for the year ended June 30, 2021 and are recorded in occupancy expense on the statement of functional expenses. The operating lease is contributed in-kind to the Foundation and has no effect on the Foundation's cash flow.

Future minimum rental payments required under this operating lease are as follows at June 30, 2021:

2022	\$25,920
2023	25,920
2024	<u>10,800</u>
Total	<u>\$ 62,640</u>

NOTE 13 CONCENTRATIONS OF CREDIT RISK

Financial instruments, which potentially subject the Foundation to concentrations of risk, as defined by accounting principles generally accepted in the United States of America, consist primarily of bank accounts with balances and certificates of deposit in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). The Foundation maintains its cash balances with high quality financial institutions. Accounts at these institutions currently are insured by the FDIC up to \$250,000. At times, such balances may be in excess of FDIC insurance limits. At June 30, 2021, the Foundation did not maintain any balances that exceeded FDIC limits.

NOTE 14 OTHER CONCENTRATIONS OF RISK

For the year ended June 30, 2021, the Foundation received 60% of its revenues from federal, state, county and local grants and contracts, which are subject to annual renewal provisions.

NOTE 15 LIQUIDITY OF FINANCIAL ASSETS

The Foundation is substantially supported by unrestricted and restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Another part of this policy is the board's approval of the annual balanced budget.

The Foundation has \$444,532 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$107,210 and accounts receivable of \$337,322. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Foundation has a goal to maintain financial assets, which consist of cash on hand to meet 60 days of normal operating expenses. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 16 CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Foundation. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (vi) the effects of the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 17 REFUNDABLE ADVANCES

The Foundation applied for, was approved, and was funded \$139,300, for a loan under the Paycheck Protection Program (PPP) pursuant to the Coronavirus Aid, Relief and Economic Security (CARES) Act that was signed into law on March 27, 2020. As a U.S. small business, the Foundation has qualified for the PPP, which allows businesses and nonprofits with fewer than 500 employees to obtain loans of up to \$10 million to incent companies to maintain their workers as they manage the business disruptions caused by the COVID-19 pandemic. Some or all of the loan may be forgiven if at least 60 percent of the loan proceeds are used to cover payroll costs, including the salaries and benefits and other allowable costs, provided the Foundation maintains its employment and compensation within certain parameters during the forgiveness period, as determined by management (up to twenty-four weeks), following the loan origination date and complies with other relevant conditions. Should the loan ultimately not be forgiven by the Small Business Administration (SBA), the loan would be paid off in a timely manner.

As of the date of this report, the Foundation has satisfied the requirements of the refundable advances and formal forgiveness has been received from the Small Business Administration (SBA) for the loan. Therefore, based on the guidance set forth by FASB, the Foundation is reporting the full amount of \$140,040 (\$139,300 in principal and 740 in interest) as refundable advance income on the statement of activities.

NOTE 18 SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 25, 2022. The impact of Coronavirus (COVID-19) to the Foundation is discussed in Note 16. No other events were identified as necessary to be disclosed to keep these financial statements from being misleading or that provide additional evidence about conditions that existed at June 30, 2021, including estimates inherent in the process of preparing these financial statements.

SUPPLEMENTAL INFORMATION

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 YEAR ENDED JUNE 30, 2021

	<u>Period</u>	<u>CFSA</u>	<u>Contract/ Grant</u>	<u>Award</u>	<u>Expenditure</u>
Department of Legal Affairs - Office of the Attorney General Monique Burr Foundation for Children, Inc.	7/1/20-6/30/21	41.019	K04995	\$ 1,659,805	<u>\$ 1,659,805</u> <u>1,659,805</u>
Total Expenditures of State Financial Assistance					<u>\$ 1,659,805</u>

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes the state assistance activity of the Foundation under programs of the state government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Because the Schedule presents only a selected portion of the operations of Monique Burr Foundation for Children, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Monique Burr Foundation for Children, Inc.

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 *State Projects Compliance Supplement*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

ABARE, KRESGE & ASSOCIATES CPAS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of
Monique Burr Foundation for Children, Inc.

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 Monique Burr Foundation for Children, Inc. (the "Foundation"), which comprise the statement of financial position as of June 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, and have issued our report thereon dated July 25, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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*.

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

Abare, Kresge & Associates CPAs, LLC

St. Augustine, FL
July 25, 2022

ABARE, KRESGE & ASSOCIATES CPAS, LLC

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

To the Board of Directors of
Monique Burr Foundation for Children, Inc.

Report on Compliance for Each Major State Project

We have audited Monique Burr Foundation for Children, Inc.'s compliance with the types of compliance requirements described in the Executive Office of the Florida Governor's State Projects Compliance Supplement, that could have a direct and material effect on each of the Foundation's major state projects for the year ended June 30, 2021. The Foundation's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation 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 state projects for the year ended June 30, 2021.

Basis for Opinion on Each Major State Project

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Monique Burr Foundation for Children, Inc.'s state projects.

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence
- regarding Monique Burr Foundation for Children, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Monique Burr Foundation for Children, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General of the State of Florida*, but not for the purpose of expressing an opinion on the effectiveness of Monique Burr Foundation for Children, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Adam, Krueger & Associates CPAs, LLC

St. Augustine, FL
July 25, 2022

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ X No	
Significant deficiency(ies) identified?	_____ Yes	_____ X None reported	
Noncompliance material to financial statements noted?	_____ Yes	_____ X No	

State Projects

Internal Control over major projects:

Material weakness(es) identified?	_____ Yes	_____ X No	
Significant deficiency(ies) identified?	_____ Yes	_____ X None reported	

Type of auditors' report issued on compliance for major projects: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida

	_____ Yes	_____ X No	
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Identification of major projects:

<u>CSFA Number(s)</u>	<u>Name of State Project</u>
41.019	Monique Burr Foundation for Children, Inc.

Dollar threshold used to distinguish between Type A and Type B projects: \$ 497,942

Auditee qualified as low-risk auditee? _____ **X** Yes _____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - STATE PROJECT FINDINGS AND QUESTIONED COSTS

None

MONIQUE BURR FOUNDATION FOR CHILDREN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

There are no prior audit findings.