

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2022

CONTENTS

INDEPENDENT AUDITORS' REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities.....	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements.....	8 - 13
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	14 - 15
REPORTS REQUIRED UNDER <i>GOVERNMENT AUDITING STANDARDS, OMB UNIFORM GUIDANCE, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS</i>	
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>	16 - 17
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND IN ACCORDANCE WITH CHAPTER 10.650, <i>RULES OF THE STATE OF FLORIDA AUDITOR GENERAL</i>	18 - 21
Schedule of Findings and Questioned Costs.....	22 - 24

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 present fairly, in all material respects, the financial position of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida as of June 30, 2022, 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 Florida Center for Children and Youth, Inc. D/B/A Voices for Florida 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida Center for Children and Youth, Inc. D/B/A Voices for Florida's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 Florida Center for Children and Youth, Inc. D/B/A Voices for Florida'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 Florida Center for Children and Youth, Inc. D/B/A Voices for Florida'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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the State of Florida Auditor General*, 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 federal awards and 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 March 24, 2023, on our consideration of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida'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 Florida Center for Children and Youth, Inc. D/B/A Voices for Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Florida Center for Children and Youth, Inc. D/B/A Voices for Florida's internal control over financial reporting and compliance.

Thomson Block Impact Company

Tallahassee, Florida
March 24, 2023

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Grants	\$ 3,167,254	\$ -	\$ 3,167,254
Network provider fees	73,750	-	73,750
Contributions	29,698	-	29,698
Fundraising events	29,143	-	29,143
Other income	63	-	63
	<u>3,299,908</u>	<u>-</u>	<u>3,299,908</u>
Net assets released from restriction	<u>19,241</u>	<u>(19,241)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	3,319,149	(19,241)	3,299,908
EXPENSES			
Program services	3,023,275	-	3,023,275
Administrative and general	320,122	-	320,122
Fundraising	13,999	-	13,999
TOTAL EXPENSES	<u>3,357,396</u>	<u>-</u>	<u>3,357,396</u>
CHANGE IN NET ASSETS	(38,247)	(19,241)	(57,488)
BEGINNING NET ASSETS	<u>24,137</u>	<u>19,241</u>	<u>43,378</u>
ENDING NET DEFICIT	\$ (<u>14,110</u>)	\$ <u>-</u>	\$ (<u>14,110</u>)

See accompanying notes.

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
DIRECT PROGRAM EXPENSES				
Service provider fees	\$ 2,103,741	\$ -	\$ -	\$ 2,103,741
Consultants and contractors	82,054	-	-	82,054
Rent assistance program	70,953	-	-	70,953
Service provider training	<u>50,917</u>	<u>-</u>	<u>-</u>	<u>50,917</u>
TOTAL DIRECT PROGRAM EXPENSES	2,307,098	-	-	2,307,098
SALARIES AND RELATED BENEFITS				
Salaries and wages	343,863	127,311	-	471,174
Employee benefits	51,057	18,903	-	69,960
Payroll taxes	<u>26,835</u>	<u>9,936</u>	<u>-</u>	<u>36,771</u>
TOTAL SALARIES AND RELATED BENEFITS	421,755	156,150	-	577,905
OPERATING EXPENSES				
Fiscal agent fees	80,440	90,709	-	171,149
Rent	38,088	14,102	-	52,190
Public awareness	36,452	13,496	-	49,948
Supplies and materials	27,178	10,063	-	37,241
Professional fees	27,003	9,997	-	37,000
Travel	30,952	1,556	-	32,508
Interest and bank fees	18,921	7,005	-	25,926
Computer and IT expenses	15,186	5,623	-	20,809
Fundraising events	-	-	13,999	13,999
Printing and reproduction	7,360	-	-	7,360
Other expenses	4,999	1,851	-	6,850
Bad debt expense	-	6,667	-	6,667
Payroll processing fees	3,276	1,213	-	4,489
Insurance	2,519	933	-	3,452
Telephone and internet	1,274	471	-	1,745
Postage and delivery	<u>774</u>	<u>286</u>	<u>-</u>	<u>1,060</u>
TOTAL OPERATING EXPENSES	<u>294,422</u>	<u>163,972</u>	<u>13,999</u>	<u>472,393</u>
	\$ <u>3,023,275</u>	\$ <u>320,122</u>	\$ <u>13,999</u>	\$ <u>3,357,396</u>

See accompanying notes.

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
STATEMENT OF CASH FLOWS
Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from grants and contributions	\$ 3,282,918
Cash payments to employees and employment taxes	(516,956)
Cash payments to vendors and service providers	(<u>2,920,185</u>)
NET CASH USED IN OPERATING ACTIVITIES	(154,223)
 CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from line of credit	1,261,616
Proceeds from promissory note with related party	-
Principal payments on Paycheck Protection Program loan	(27,827)
Principal payments on lines of credit	(<u>1,079,009</u>)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>154,780</u>
NET INCREASE IN CASH	557
CASH AT BEGINNING OF YEAR	<u>36,939</u>
CASH AT END OF YEAR	\$ <u><u>37,496</u></u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Change in net assets	\$(57,488)
Adjustments to change in net assets to net cash provided by (used in) operating activities:	
Decrease (increase) in assets:	
Grants receivable	14,411
Due from service providers	(32,834)
Other receivables	1,433
Prepaid expenses	(28,011)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	46,545
Service provider payables	(<u>98,279</u>)
NET CASH USED IN OPERATING ACTIVITIES	\$(<u><u>154,223</u></u>)

See accompanying notes.

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

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

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

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

- Net assets without donor restrictions - consists of amounts that are available for use in carrying out the supporting activities of the Organization and are not subject to donor-imposed stipulations.
- Net assets with donor restrictions - consists of amounts that are available for the purposes restricted by donors and grantors, or a time restriction. When a restriction is satisfied, the associated amount is reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. There were no net assets with donor restrictions as of June 30, 2022.

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

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

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

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

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

Grants Receivable - Grants receivable are due from the Florida Office of the Attorney General and are recorded in the period when services are provided. The Organization's grants receivable as of June 30, 2022, are due in less than one (1) year and management believes that all receivables are fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary.

Due from Service Providers - Amounts due from service providers fees due from service providers as of June 30, 2022. These amounts are due in less than one (1) year and management believes that all receivables are fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary.

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Costs directly related to a functional category are recorded to that specific category or split based on the underlying expenses directly related to that category. The cost of salaries and related benefits have been allocated based on the Organization's estimates of time and effort. Additionally, certain operating expenses have been allocated based upon the same estimate used for salaries and related benefits. The fiscal agent fee is allocated based on estimates of time and effort by the fiscal agent.

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

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

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

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

Due to its tax-exempt status, the Organization is not subject to U.S. federal income tax or state income tax. The Organization's Form 990 has not been subject to examination by the Internal Revenue Service or the State of Florida for the last three (3) years. The Organization does not expect the total amount of unrecognized tax benefits to significantly change in the next twelve (12) months. The Organization recognizes interest and/or penalties related to income tax matters in income tax expense. The Organization did not have any amounts accrued for interest and penalties at June 30, 2022.

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

Subsequent Events - Management has performed an analysis of the activities and transactions subsequent to June 30, 2022 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2022. Management has evaluated the subsequent events for recognition and disclosure through March 24, 2023, the date the financial statements were available to be issued.

NOTE 2 - LINES OF CREDIT

March 30, 2018, the Organization executed a line of credit with a commercial bank. The line of credit was extended and increased on December 22, 2021 with an available balance of \$750,000 to draw upon. As of June 30, 2022, the outstanding balance due on the line amounted to \$657,607, with a remaining balance available to draw in the amount of \$92,393. Interest and fee expense incurred on the line of credit amounted to \$21,301 for the year ended June 30, 2022. The line of credit is secured by accounts and other receivables.

On December 22, 2021, the Organization executed a line of credit with a commercial bank in the amount of \$100,000. As of June 30, 2022, the outstanding balance due on the line amounted to \$70,000, with a remaining balance available to draw in the amount of \$30,000. Interest and fee expense incurred on the line of credit amounted to \$1,520 for the year ended June 30, 2022. The line of credit is unsecured.

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 3 - NET ASSETS WITH DONOR RESTRICTION

For the year ended June 30, 2022, net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purpose restriction accomplished:	
More Too Life – Suncoast	\$ <u>19,241</u>

NOTE 4 – PAYROLL PROTECTION PROGRAM LOAN

On July 14, 2020, the Organization was issued a loan (the “Loan”) from a financial institution in the aggregate amount of \$114,100, pursuant to the Paycheck Protections Program (the “PPP”) under Division A, Title 1 of the CARES Act, which was enacted March 27, 2020. The Loan in the form of a Note dated July 14, 2020 issued to the Organization, matures on April 17, 2025 and bears interest at a rate of 1% per annum, principal and interest is payable in monthly installments of \$2,536 commencing on August 17, 2021. The Loan may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Under the terms of the PPP, the Loan, or a portion of, may be forgiven if the proceeds are used for qualifying expenses as described in the CARES Act and its amendments. The Loan is uncollateralized. The Organization did not apply for forgiveness of the Loan.

Annual maturities of the Loan for each of the next five years ending June 30:

2023	\$	30,257
2024		30,560
2025		<u>25,456</u>
	\$	<u>86,273</u>

NOTE 5 - CONCENTRATIONS

Concentration of Revenue Sources: The Organization’s main sources of revenue are derived from grants, appropriations and fees received from the State of Florida. For the year ended June 30, 2022, the Organization received 92% of its total support and revenue from two (2) grants through the State of Florida.

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits: The Organization maintains cash balances at a financial institution located in Florida. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2022, the Organization’s uninsured cash balance amounted to \$0.

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 6 - RELATED PARTY TRANSACTIONS

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

For the year ended June 30, 2022, the Organization has incurred \$52,190 in office rent, \$171,149 in fiscal agent fees, \$9,538 in fundraising expenses and \$49,620 in public awareness fees to American Children’s Campaign, Inc. The contractual arrangement of office space and fiscal agent fee are negotiated rates determined annually.

NOTE 7 - PENSION PLAN

The Organization created a Simplified Employee Pension (“SEP”) plan in June 2017. All full-time employees, who are at least twenty-one (21) years of age and have been employed by the Organization during the current year, are eligible to participate in the SEP IRA plan. The percentage of employees’ earned wages to be used in calculating the employer contributions is set annually by the Organization’s Board of Directors. The employer contribution percentages were 5% from July 1, 2021 through March 31, 2022 and 1% through June 30, 2022 of eligible participants compensation. For the year ended June 30, 2022, employer contributions amounted to \$19,252.

NOTE 8 - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one (1) year as of June 30, 2022 include the following:

Cash	\$ 37,496
Grant receivables	1,035,623
Other receivables	<u>44,834</u>
	\$ <u>1,117,953</u>

The Organization monitors the cash balances and cash projections throughout the year and very closely at the end of each quarter. The State funded grant allocations are remitted by the Florida Office of the Attorney General (“OAG”) on a reimbursement basis each quarter and as a result, cash balance projections are reviewed closely each quarter to ensure that sufficient resources are available to meet the financial obligations of the Organization.

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 8 - LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

The Organization maintains a \$850,000 in lines of credit with a commercial bank as discussed in Note 2. The lines of credit are used to fund the operations of the Open Doors Outreach Network and payments to providers for the Victims of Crime Act (“VOCA”) grant. VOCA is a cost reimbursement contract, and each provider must incur and pay the applicable costs before billing the Organization. The Organization reimburses the providers and then invoices the OAG for amounts spent. The lines of credit are used to bridge the time gap between invoices and payments, As of June 30, 2022, the Organization had \$122,393 available to be drawn from the lines of credit.

NOTE 9 - 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 Organization is in the process of disputing disallowed expenses by the grantor in the amount of \$53,304. The Organization expects to receive the full amount through future invoices. As such, the full amount is included in grants receivable and grant revenue for the fiscal year ending June 30, 2022.

NOTE 10 – FINANCIAL CONDITION

As shown in the accompanying financial statements, the Organization incurred a decrease in net assets in the amount of \$(57,488) for year ended June 30, 2022. The Organization’s debt exceeded its assets from grant expenditures that were disallowed for reimbursement by the Florida Office of the Attorney General and were instead covered with non Federal or State resources. In order to strengthen its financial condition, management has instituted a plan to reduce costs and find new ways to raise funds to eliminate the deficit.

SUPPLEMENTARY INFORMATION

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2022

Grantor/Program Title	CFDA\ CSFA Number	Contract Number	Expenditures	Transfers to Subrecipients
FEDERAL EXPENDITURES				
<u>U.S. Department of Justice:</u>				
Voices for Florida Housing Assistance Program	16.320	2020-VT- BX-0033	\$ 102,075	\$ -
Passed through State of Florida Office of the Attorney General:				
2020 Victims of Crime Act (VOCA)	16.575	00720	504,440	471,709
2021 Victims of Crime Act (VOCA)	16.575	00716	<u>1,227,755</u>	<u>1,174,315</u>
Total expenditures of federal financial assistance			\$ <u>1,834,270</u>	\$ <u>1,646,024</u>
STATE EXPENDITURES				
<u>Department of Legal Affairs – Office of the Attorney General</u>				
Florida Center for Children and Youth, Open Doors	41.024	K05174	\$ <u>1,317,638</u>	\$ <u>411,951</u>
Total expenditures of state financial assistance			\$ <u>1,317,638</u>	\$ <u>411,951</u>

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the Federal awards activity and State financial assistance of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida (the “Organization”) for the year ended June 30, 2022, in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

See independent auditors’ report.

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2022

Note 2. Summary of Significant Accounting Policies

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

Note 3. De Minimis Indirect Cost Rate Election

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

See independent auditors' report.

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

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W. FREDERICK THOMSON, C.P.A.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida (the "Organization"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated March 24, 2023.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the 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 Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomson Black & Veatch Company

Tallahassee, Florida
March 24, 2023

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OF COUNSEL
HAROLD A. BROCK, JR. C.P.A.
W. FREDERICK THOMSON, C.P.A.

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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Florida Center for Children and Youth, Inc. D/B/A Voices for Florida's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and Florida State Projects Compliance Supplement that could have a direct and material effect on each of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida's major federal programs and state projects for the year ended June 30, 2022. Florida Center for Children and Youth, Inc. D/B/A Voices for Florida's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Florida Center for Children and Youth, Inc. D/B/A Voices for Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program and 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the State of Florida Auditor General*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida 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 federal program and state project. Our audit does not provide a legal determination of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida'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 Florida Center for Children and Youth, Inc. D/B/A Voices for Florida's federal programs and state projects.

Auditor's 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 Florida Center for Children and Youth, Inc. D/B/A Voices for Florida'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*, the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Florida Center for Children and Youth, Inc. D/B/A Voices for Florida's compliance with the requirements of each major federal program and state project as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence Florida Center for Children and Youth, Inc. D/B/A Voices for Florida'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 Florida Center for Children and Youth, Inc. D/B/A Voices for Florida'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 the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of Florida Center for Children and Youth, Inc. D/B/A Voices for Florida'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 or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thomson Black Impact Company

Tallahassee, Florida
March 24, 2023

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022**

Part A - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of audit report issued: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

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

**FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022**

Part A - SUMMARY OF AUDIT RESULTS (Continued)

State Financial Assistance

Internal control over financial reporting:

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

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

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

Identification of major projects:

State Project	State CSFA Number
Florida Center for Children and Youth, Open Doors	41.024

Dollar threshold used to distinguish between type A and type B state projects: \$300,000

FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.
D/B/A VOICES FOR FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

Part B - FINANCIAL STATEMENTS FINDINGS

None.

Part C - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

Part D – PRIOR YEAR FINDINGS – FINANCIAL STATEMENTS

None.

Part E - PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

Part F – STATE PROJECT FINDINGS AND QUESTIONED COSTS

None.

Part G – STATE PROJECT PRIOR YEAR AUDIT FINDINGS

None.

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Florida Center for Children and Youth, Inc. D/B/A Voices for Florida (“the Organization”) as of and for the year ended June 30, 2022, and have issued our report thereon dated March 24, 2023.

Auditors’ Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors’ Report on Compliance for each Major Federal Program and report on Internal Control over Compliance in Accordance with the Uniform Guidance. Disclosures in those reports and schedule, which are dated March 24, 2023 should be considered in conjunction with this management letter.

Additional Matters

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

PRIOR YEAR COMMENTS

1. Services Provided by Related Party – On-Going:

In a prior audit, while testing allowable costs related to the State of Florida General Revenue Grant, we noted that the fiscal agent fee services provided by American Children’s Campaign were charged at an estimated rate based on the percentage of the grant agreement. Since the Organization is related to American Children’s Campaign, the services need to be substantiated by actual expenditures incurred or a time-study to support the estimates provided. In the current year, in our evaluation, the estimate was more than the actual costs considered allowable under the grant. We recommend that management reconcile these amounts at least on an annual basis and make necessary adjustments to prevent any questioned costs.

Management’s Response:

Voices for Florida does not agree with this finding. A comprehensive spreadsheet was provided which documented in detail, and with associated explanations, those expenses incurred on behalf of Voices by American Children’s Campaign. Expenses detailed on the spreadsheet were supported by multiple time studies. It is important to note that Voices had several key personnel leave in April 2022 and American Children’s Campaign was required to assume daily operating responsibility of Voices during the period when new personnel were brought onboard and were able to assume responsibility for daily operation of Voices.

Overall American Children’s Campaign provided documentation of \$220,003.44 in support of Voices. This represents 150% of the reimbursement paid by Voices and more than 200% of the total value of the contribution.

2. Different Check Numbers in QuickBooks - RESOLVED:

In the prior year, we noted that 3 of the 60 items tested had check numbers that did not match the check numbers in the QuickBooks software. In the current year, we noted no exceptions when testing the check number sequences. This comment is resolved.

CURRENT YEAR COMMENTS

3. Monitoring of Subrecipients:

While testing monitoring of the subrecipients, we noted the following exceptions:

- Subrecipient financial statements were old and there was no process in place to ensure timely filing of financial statements, if they were required.
- We tested the on-site monitoring process for 3 sub-recipients and noted a lack of documentation for 2 subrecipients corrective actions.

We recommend that management implement a process to obtain audited financial statements from subrecipients if they are required to have a Federal or Florida Single Audit. If they are not, require the subrecipients to complete a form demonstrating that they did not meet the requirements. Additionally, we recommend that all monitoring reports with corrective action items be followed up upon to ensure that the issues are resolved.

Management's Response:

Voices is currently conducting monitoring of subrecipients. We specifically have noted the issues auditors raised related to the lack of follow-up on corrective action items and subrecipient financial statements.

Our initial monitoring is being done virtually this year. We will conduct onsite visits in May 2023. As a part of our virtual monitoring work, we are requesting information on actions taken to address last year's corrective action items and requesting the most recent subrecipient financial statements. We will review these materials prior to the onsite monitoring and again during the onsite visits. During our onsite visits we will establish a schedule for completion of newly identified corrective action items and then assign an appropriate Voices staff person with the responsibility for monitoring those completions.

Voices will also review the financial records of each subrecipient to determine which require a Federal or Florida Single Audit. This requirement will be included as a part of that subrecipient's contract. If a subrecipient is not required to complete the Single Audit, we will require the subrecipient to prepare a functional financial report showing an analysis of VOCA funds. This report will be signed by the subrecipient's CEO and CFO or the Board Treasurer if a CFO is not employed.

4. Electronic Signatures for Check Request Forms:

While testing cash disbursements, we noted that check request forms had electronic signatures that were copied images pasted to documents. These versions of electronic signatures do not validate who signs the forms. We recommend that management either require only wet signatures or use software that validates, and time stamps electronic signatures.

Management's Response:

Voices has instituted a requirement for wet signatures for all check requests. All check requests require a wet signature by both the Audit and Compliance Director and the Co-President North Region before being forwarded for preparation of the actual check/payment.

5. Period of Availability for State Project:

While testing period of availability, we noted that a software license agreement was prepaid for 2 years. In reviewing the invoice, the software was set up to be paid in monthly installments. The period of availability for the grant is from July 1, 2021, through June 30, 2022. The Reference Guide for State Expenditures states that advance payments for software license agreements are allowable if either of the following are true:

- Advance payment will result in a savings to the State that is equal to or greater than the amount the State would earn by investing the funds and paying in arrears.
- The goods or services are essential to the operation of a state agency and are available only if advance payment is made.

We were not able to obtain evidence that either of the above applied. The amount noted in testing did not rise to the level required to be reported as a known questioned cost. We recommend that management evaluate prepaying software license agreements unless they meet the requirements stated in The Reference Guide for State Expenditures.

Management's Response:

Staff responsible for this transaction are no longer with the organization and we have been unable to find any documentation related to this analysis.

Voices understands the requirements for advance payments in the Statewide Guide for State Expenditures and will adhere to these requirements for any future purchases.

6. Review of Performance Report Statistics:

While testing statistics included in the VOCA performance reports, management was unable to provide source documents on how the statistics were created. This was due to turnover in key positions during this fiscal year. We recommend that management document its process for obtaining the data from the providers in the Accounting Policy Manual so that new staff from the result of turnover can replicate the process and support the statistics on the submitted reports.

Management's Response:

Voices will prepare an Operational Manual that will document the process in accumulating performance statistics and their subsequent reporting. We expect to complete this manual by July 31, 2023.

7. Monitoring of Subrecipient timesheets:

While reviewing the monitoring of subrecipient invoices, we noted that timesheets for multiple providers were charging time to all clients or other service areas and not providing detail on how the time was used for the program. We recommend that the Organization require that subrecipient timesheets are properly completed and review that time allocated is reasonable to the program if the other category is indicated.

Management's Response:

After an extensive discussion with the OAG Bureau of Grants and Advocacy, Voices instituted a revised coding scheme effective October 1, 2022. The coding scheme addresses several issues related to subrecipient coding of timesheets and activity reports.

8. Accounting for Grants using Class function in QuickBooks:

While reconciling grant activity with the general ledger, we noted that grant balances were not being updated when items of cost were disallowed by grantors and some items were not recorded to the correct classification. We recommend that a reconciliation be performed between QuickBooks and each financial report provided to the Grantors to ensure that grants are being accounted for accurately in the QuickBooks accounting software. If items of cost are disallowed by the grantors, they should be moved to another classification.

Management's Response:

Voices has instituted a system of reconciliation for disallowances when items are disallowed by grantors. We will supply this information to the Fiscal Agent. We expect to continue to revise this process going forward.

9. Procurement of Vendors:

While testing procurement requirements under the State of Florida General Revenue Grant, we were unable to obtain sufficient documentation to determine that the Organization is following the procurement requirements of the grant agreement under Article 12, C. We recommend that management do either of the following:

- Implement a policy by which the Organization requires three (3) written quotes for all vendors expected to spend over \$2,500, or document why the vendor is a sole source of the goods or services to be provided, or
- Obtain a written approval from the Office of the Attorney General that an alternative purchasing procedures is allowed.

Management's Response:

Voices has reviewed the procurement requirements under Article 12, C. and will insure that these requirements are followed.

Purpose of this Letter

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

Thomson Black Legal Consulting

March 24, 2023