

**Florida Network of Youth and
Family Services, Inc.**

FINANCIAL STATEMENTS

June 30, 2023 and 2022



	Page
REPORT	
Independent Auditors’ Report	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8
OTHER REPORTS	
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>	22
Independent Auditors’ Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, <i>Rules of the Auditor General</i>	24
OTHER FINANCIAL INFORMATION	
Schedule of Expenditures of State Financial Assistance	27
Notes to Schedule of Expenditures of State Financial Assistance	28
Schedule of Findings and Questioned Costs – State Financial Assistance	29
REQUIRED COMMUNICATIONS	
Required Communications.....	31
Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality.....	36
Summary of Audit Adjustments.....	39
Management Representation Letter	40
INTERNAL CONTROL RECOMMENDATIONS	
Internal Controls	44



REPORT





INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Florida Network of Youth and Family Services, Inc.
Tallahassee, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Florida Network of Youth and Family Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 Network of Youth and Family Services, Inc. as of June 30, 2023, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida Network of Youth and Family Services, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, effective July 1, 2022, Florida Network of Youth and Family Services, Inc. adopted ASU 2016-02, *Leases*, and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited Florida Network of Youth and Family Services, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 7, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 Network of Youth and Family Services, 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 auditors' 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 Network of Youth and Family Services, 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 Florida Network of Youth and Family Services, 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*, 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 February 8, 2024 on our consideration of Florida Network of Youth and Family Services, 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 Florida Network of Youth and Family Services, 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 Florida Network of Youth and Family Services, Inc.'s internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL
February 8, 2024



FINANCIAL STATEMENTS

Florida Network of Youth and Family Services, Inc.
Statements of Financial Position

<i>June 30,</i>	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 4,996,035	\$ 5,881,845
Grants receivable	301,835	135,765
Dues receivable	69,575	7,760
Other receivables	138,318	60,087
Prepaid expenses	45,177	79,221
Total current assets	5,550,940	6,164,678
Noncurrent assets		
Investments	299,938	10,008
Property and equipment, net	287,092	294,089
Operating lease right-of-use assets, net	1,134,858	-
Total noncurrent assets	1,721,888	304,097
Total assets	\$ 7,272,828	\$ 6,468,775
Liabilities and Net Assets		
Current liabilities		
Contracts payable	\$ 3,791,058	\$ 2,986,343
Accounts payable	113,828	187,776
Due to Department of Juvenile Justice	137,402	728,591
Refundable advances	-	582,479
Accrued liabilities	269,150	267,524
Current portion of operating lease liabilities	375,396	-
Total current liabilities	4,686,834	4,752,713
Noncurrent liabilities		
Operating lease liabilities, less current portion	759,462	-
Total noncurrent liabilities	759,462	-
Total liabilities	5,446,296	4,752,713
Net assets without donor restrictions	1,826,532	1,716,062
Total liabilities and net assets	\$ 7,272,828	\$ 6,468,775

The accompanying notes are an integral part of these financial statements.

Florida Network of Youth and Family Services, Inc.
Statements of Activities

<i>For the years ended June 30,</i>	2023	2022
Revenue and Other Support		
Grants	\$ 40,901,133	\$ 37,732,272
Member agency dues	419,330	406,408
Other fees	62,223	12,167
Donations and sponsorships	15,135	2,500
Interest and investment income	10,366	834
Total revenue and other support	41,408,187	38,154,181
Expenses		
Program services	40,866,399	37,692,800
Supporting services - general and administrative	431,318	365,366
Total expenses	41,297,717	38,058,166
Change in Net Assets	110,470	96,015
Net assets at beginning of year	1,716,062	1,620,047
Net assets at end of year	\$ 1,826,532	\$ 1,716,062

The accompanying notes are an integral part of these financial statements.

Florida Network of Youth and Family Services, Inc.
Statement of Functional Expenses

<i>For the year ended June 30,</i>	Program Services	Supporting Services - General and Administrative	Total 2023	Summarized Total 2022
Direct service funds distributed to agencies:				
CINS/FINS	\$ 31,116,082	\$ -	\$ 31,116,082	\$ 28,259,622
SNAP	4,971,536	-	4,971,536	4,141,543
Respite	1,514,781	-	1,514,781	1,425,238
Staff retention	-	-	-	268,429
Total direct service funds distributed to agencies	37,602,399	-	37,602,399	34,094,832
Salaries and related benefits	1,163,633	81,168	1,244,801	1,189,646
Contractual and professional	815,778	218,201	1,033,979	1,331,694
Medcards	377,861	-	377,861	391,650
Contract management	354,800	-	354,800	354,800
Board events and travel	117,081	59,994	177,075	148,665
Specialty training	90,175	-	90,175	144,471
Payroll taxes	77,900	5,508	83,408	78,435
Retirement	77,741	3,706	81,447	80,189
Furniture and equipment	42,908	567	43,475	17,028
Organizational support	34,003	1,133	35,136	27,333
Miscellaneous	11,211	19,152	30,363	34,551
Telecommunications	24,291	2,725	27,016	27,640
Dues	5,143	20,688	25,831	56,471
Insurance	22,565	460	23,025	20,549
Office supplies and other office expenses	17,323	669	17,992	14,842
Printing and publications	12,402	640	13,042	12,539
Depreciation	-	12,998	12,998	13,945
Repairs and maintenance	10,568	398	10,966	7,197
Donations and conference contribution	2,500	2,891	5,391	3,500
Utilities	4,951	186	5,137	5,109
Postage	1,166	234	1,400	3,080
Total	\$ 40,866,399	\$ 431,318	\$ 41,297,717	\$ 38,058,166

The accompanying notes are an integral part of these financial statements.

Florida Network of Youth and Family Services, Inc.
Statements of Cash Flows

<i>For the years ended June 30,</i>	2023	2022
Operating Activities		
Change in net assets	\$ 110,470	\$ 96,015
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation of property and equipment	12,998	13,945
Amortization of operating lease right-of-use assets, net	337,425	-
Unrealized (gain) loss on investments	70	75
Changes in operating assets and liabilities:		
Grants receivable	(166,070)	(7,980)
Dues receivable	(61,815)	4,078
Other receivable	(78,231)	(47,478)
Prepaid expenses	34,044	(25,896)
Contracts payable	804,715	(6,235)
Accounts payable	(73,948)	(81,644)
Due to Department of Juvenile Justice	(591,189)	728,381
Refundable advances	(582,479)	(678,103)
Accrued liabilities	1,626	(45,298)
Operating lease liabilities	(337,425)	-
Net cash provided by (used in) operating activities	(589,809)	(50,140)
Investing Activities		
Purchase of investments	(300,000)	-
Proceeds from sale of investments	10,000	-
Purchase of equipment	(6,001)	-
Net cash provided by (used in) investing activities	(296,001)	-
Net change in cash and cash equivalents	(885,810)	(50,140)
Cash and cash equivalents at beginning of year	5,881,845	5,931,985
Cash and cash equivalents at end of year	\$ 4,996,035	\$ 5,881,845

Schedule of Certain Cash Flow Information

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 375,396	\$ 375,396
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The accompanying notes are an integral part of these financial statements.

Florida Network of Youth and Family Services, Inc. Notes to Financial Statements

Note 1: NATURE OF THE ORGANIZATION

Florida Network of Youth and Family Services, Inc. (the Florida Network) is a statewide organization providing assistance and guidance to member agencies through youth advocacy, information sharing, technical assistance and resource development. The Florida Network, through a grant agreement with the Florida Department of Juvenile Justice (DJJ), also performs contract management services for the Children/Families in Need of Services (CINS/FINS) program and provides funding to CINS/FINS provider agencies. The Florida Network is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and has not been classified as a private foundation under Section 509(a).

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Florida Network's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly-liquid investments with a maturity when acquired of 90 days or less.

Florida Network of Youth and Family Services, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Grants receivable consist of reimbursements due from the DJJ. Dues and other receivables consist of amounts due for monthly dues and services provided. Receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Florida Network provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Florida Network's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been provided. There was no bad debt expense for the years ended June 30, 2023 and 2022.

Investments

The Florida Network has investments in negotiable certificates of deposit, which are carried at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Property and Equipment

All acquisitions of property and equipment in excess of \$3,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are initially recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Leases

The Florida Network leases medcarts. Management determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the statements of financial position.

ROU assets represent the Florida Network's right to use an underlying asset for the lease term and lease liabilities represent the Florida Network's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term.

Florida Network of Youth and Family Services, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (continued)

As most of the leases do not provide an implicit rate, management uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The risk-free rate used is the U.S. Treasury bill rate as of the later of the date of adoption of ASC 842 or the lease commencement date, for the U.S. Treasury bill period that approximates the lease period. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Florida Network will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

In evaluating contracts to determine if they qualify as a lease, management considers factors such as if the Florida Network has obtained substantially all of the rights to the underlying asset through exclusivity, if the Florida Network can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Florida Network's lease agreement for med carts contains lease and non-lease components, which are generally accounted for separately. The Florida Network accounts for these lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments was incurred.

Net Assets

The Florida Network reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Florida Network, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the normal course of its operations.

Florida Network of Youth and Family Services, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (continued)

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. There are no net assets with donor restrictions as of June 30, 2023 and 2022.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Contributions with donor restrictions that are both received and released within the same year are recorded as net assets without donor restrictions.

Revenue Recognition

Member agency dues and other fees are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. These amounts are included in refundable advances in the statements of financial position.

The Florida Network performs administrative and coordination services for specified agencies under a grant agreement with DJJ and provides for training, quality assurance and information system programs to these agencies. These services are provided by the Florida Network under a fixed price agreement with DJJ based on units of service delivered. The contracts are performance-based with specified program outputs and evaluation measures. No commensurate value is received by DJJ in return as the Florida Network's services are provided to the agencies and ultimately the general public. Based on these factors, the grant is considered a conditional contribution and revenues are recognized as allowable costs for services are provided.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Florida Network is exempt from taxes on income other than unrelated business income. There were no unrelated business income taxes for the years ended June 30, 2023 and 2022.

Florida Network of Youth and Family Services, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (continued)

The Florida Network utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2023 and 2022, the Florida Network has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Functional Allocation of Expenses

The Florida Network's allocation of costs among programs and supporting services is based on a combination of direct and indirect allocation of expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Event costs are allocated based on the estimated applicability of the costs to each event. Other indirect and/or shared costs are allocated using payroll allocations of specified employees, or by percentage of total expenses incurred.

The Florida Network's programs include:

- Children/Families in Need of Services (CINS/FINS)
- Stop Now and Plan (SNAP)
- Domestic Violence and Probation Respite (Respite)

Expenses by program are as follows:

<i>June 30,</i>	2023	2022
CINS/FINS	\$ 33,695,277	\$ 31,448,379
SNAP	5,532,070	4,700,293
Respite	1,639,052	1,544,128
Total program expenses	\$ 40,866,399	\$ 37,692,800

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Florida Network of Youth and Family Services, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 8, 2024. See Note 12 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

Accounting Standards Update 2016-02

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Effective July 1, 2022 the Florida Network adopted ASC 842 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.

The Florida Network elected the available practical expedients to account for existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement. The Florida Network did not have any capital leases.

As a result of the adoption of the new lease accounting guidance, the Florida Network recognized on July 1, 2022 a lease liability of \$1,472,283, which represents the present value of the remaining operating lease payments, discounted using the risk-free rate of 2.88%, and a right-of-use asset of \$1,472,283.

The standard had a material impact on the statement of financial position, but did not have an impact on the statement of activities or statement of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Florida Network of Youth and Family Services, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (continued)

Accounting Standards Update 2016-13

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (ASC 326): Measurement of Credit Losses on Financial Instruments*, which is essentially the final rule on use of the so-called CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. For non-public entities, the amendments in this ASU are effective for fiscal years beginning after December 15, 2022. Early adoption will be permitted for all organizations for fiscal years beginning after December 15, 2018. The Florida Network is currently evaluating the impact of the guidance on its financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Florida Network maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as its expenditures come due. The following reflects the Florida Network's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>June 30,</i>	2023	2022
Total assets at year-end	\$ 7,272,828	\$ 6,468,775
Less non-financial assets		
Prepaid expenses	(45,177)	(79,221)
Property and equipment, net	(287,092)	(294,089)
Operating lease right-of-use assets, net	(1,134,858)	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,805,701	\$ 6,095,465

Florida Network of Youth and Family Services, Inc.
Notes to Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

The Florida Network is principally supported by grants and member agency dues. The goal of the Florida Network is to maintain available financial assets to meet its next 90 days of operating expenses of approximately \$920,000. In the event of unanticipated liquidity needs, the Florida Network can use advanced funds from DJJ to support the agencies for program expenses or liquidate its investments as needed, and can easily obtain a loan to fund general and administrative expenses.

Note 4: INVESTMENTS

Investments in marketable securities consisted of the following:

<i>June 30, 2023</i>	Cost	Market Value
Negotiable certificates of deposit	\$ 300,000	\$ 299,938
Total	\$ 300,000	\$ 299,938

<i>June 30, 2022</i>	Cost	Market Value
Negotiable certificates of deposit	\$ 9,366	\$ 10,008
Total	\$ 9,366	\$ 10,008

Note 5: PROPERTY AND EQUIPMENT

Property and equipment, net, consisted of the following:

<i>June 30,</i>	Estimated useful lives (in years)	2023	2022
Building and improvements	37 - 40	\$ 352,771	\$ 352,670
Furniture and equipment	3 - 5	40,102	44,021
Property and equipment subject to depreciation		392,873	396,691
Less accumulated depreciation		(291,531)	(288,352)
Property and equipment subject to depreciation, net		101,342	108,339
Land		185,750	185,750
Property and equipment, net		\$ 287,092	\$ 294,089

Depreciation expense was \$12,998 and \$13,945 for the years ended June 30, 2023 and 2022, respectively.

Florida Network of Youth and Family Services, Inc.
Notes to Financial Statements

Note 6: REVENUE

The Florida Network's customers are primarily its member agencies within the State of Florida.

Revenue for member agency dues is recognized as services are provided over the membership term. Membership benefits include advocacy, legislative updates, marketing and promotion, networking opportunities, affinity purchasing, training and technical assistance, fund development, and other support.

Other fees include contract services, for which revenue is recognized as services are provided to customers over the contract period, as well as fees for training and events, where revenue is recognized for the goods or services at the point when the related training or event takes place.

Disaggregated Revenue

A summary of disaggregated revenue information follows:

<i>For the years ended June 30,</i>	2023	2022
Revenue from contracts with customers		
<i>Recognized over time</i>		
Member agency dues	\$ 419,330	\$ 406,408
Other fees	35,552	6,425
<i>Recognized at a point in time</i>		
Other fees	26,671	5,742
Other revenue and support		
Grants	40,901,133	37,732,272
Interest and investment income	10,366	834
Donations and sponsorships	15,135	2,500
Total revenue and other support	\$ 41,408,187	\$ 38,154,181

Contract Balances

Contract balances related to revenue from contracts with customers consisted of the following:

<i>June 30,</i>	2023	2022
Receivables from contracts at beginning of year	\$ 67,847	\$ 24,447
Receivables from contracts at end of year	\$ 207,893	\$ 67,847

Florida Network of Youth and Family Services, Inc. Notes to Financial Statements

Note 7: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Negotiable certificates of deposit: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Florida Network believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Florida Network of Youth and Family Services, Inc.
Notes to Financial Statements

Note 7: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis consisted of:

<i>June 30, 2023</i>	Level 1	Level 2	Level 3	Total
Negotiable certificates of deposit	\$ -	\$ 299,938	\$ -	\$ 299,938
Total	\$ -	\$ 299,938	\$ -	\$ 299,938

<i>June 30, 2022</i>	Level 1	Level 2	Level 3	Total
Negotiable certificates of deposit	\$ -	\$ 10,008	\$ -	\$ 10,008
Total	\$ -	\$ 10,008	\$ -	\$ 10,008

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2023 and 2022, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 8: CONCENTRATIONS OF CREDIT RISK

The Florida Network maintains cash with a financial institution, which exceeded the FDIC limit of \$250,000 by \$4,620,330 and \$5,277,791 at June 30, 2023 and 2022, respectively. The Florida Network manages these risks by maintaining deposits in high quality financial institutions.

The Florida Network received 99% of its support and revenue from government contracts during each of the years ended June 30, 2023 and 2022. Income is earned on a performance/expenditure or time period basis; that is, income is recognized to the extent services are provided or expenditures are made in the specified timeframe. Government contracts are generally for five to ten year terms, but are amended annually or more frequently. The Florida Network's contract with DJJ for CINS/FINS services expires on June 30, 2024 and will be up for bid. Management of the Florida Network is currently evaluating the invitation to negotiate for the upcoming contract term.

Florida Network of Youth and Family Services, Inc.
Notes to Financial Statements

Note 9: COMMITMENTS

Lease Commitments Accounted for Under FASB ASC 842

The Florida Network has an operating lease for medcarts. This lease has a remaining lease term of approximately 3 years. The components of lease expense are as follows:

<i>For the years ended June 30,</i>	2023
Operating lease cost	\$ 375,396

Operating lease cost is included in medcarts expense in the statements of functional expenses.

Other information related to leases is as follows:

<i>For the years ended June 30,</i>	2023
Weighted average remaining lease term	
Operating leases	3.17 years
Weighted average discount rate	
Operating leases	2.88%

Future minimum lease payments under non-cancellable leases as of June 30, 2023 are as follows:

<i>For the years ending June 30,</i>	Operating Leases
2024	\$ 375,396
2025	375,396
2026	375,396
2027	62,566
Total future minimum lease payments	1,188,754
Less imputed interest	(53,896)
Present value of lease liabilities	\$ 1,134,858

Presented in the statement of financial position as of June 30, 2023 as follows:

Current portion of operating lease liabilities	\$ 375,396
Operating lease liabilities, less current portion	759,462
Total	\$ 1,134,858

Florida Network of Youth and Family Services, Inc.
Notes to Financial Statements

Note 9: COMMITMENTS (Continued)

Lease Commitments Accounted for Under FASB ASC 840

The Florida Network leases medcarts under an operating lease agreement, which expires in August 2026. Minimum lease payments under the noncancellable operating lease are as follows:

For the years ending June 30,

2023	\$ 375,396
2024	375,396
2025	375,396
2026	375,396
2027	62,566
<hr/>	
Total future minimum lease payments	\$ 1,564,150

Lease expense, including expense for other cancellable leases, totaled \$396,224 for the year ended June 30, 2022.

Other Commitments

In the normal course of business, the Florida Network enters into contracts and agreements. As of June 30, 2023 and 2022, the Florida Network had an open contractual service agreement related to on-site monitoring of subrecipients for \$354,800 annually that expires in June 2024. Management does not intend to terminate the agreement.

Note 10: CONTINGENCIES

Grant revenue consists of federal and state assisted grant programs that are subject to review and audit by the grantor agency. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of the grant agreement and applicable federal and state regulations, including the expenditures of resources for allowable purposes. Any disallowance resulting from a federal or state audit may result in repayment of funds received by the Florida Network from the grantor agency.

Note 11: RETIREMENT PLAN

The Florida Network offers a 401(k) Safe Harbor Plan. Employees hired before January 1, 2022 are fully vested in the plan. Employees hired after January 1, 2022 follow a vesting schedule and become 25% invested after one year of service, with an additional 25% each year until becoming fully vested after four years of service. The Florida Network will match the employees' retirement contributions up to 3%. Amounts contributed over 3%, but not over 5%, will be matched by the Florida Network at 50% of the contribution between 3% and 5%. At the Board's discretion an additional 3.5% may be contributed without employee matching. The contributions for the years ended June 30, 2023 and 2022 were \$81,447 and \$80,189, respectively, and are accrued and funded on a current basis.

Florida Network of Youth and Family Services, Inc.
Notes to Financial Statements

Note 12: SUBSEQUENT EVENT

Subsequent to June 30, 2023, the Florida Network remitted \$115,893 of unspent grant funds back to DJJ. These unspent funds are included in the due to Department of Juvenile Justice balance in the accompanying statements of financial position.



OTHER REPORTS

**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 Network of Youth and Family Services, Inc.
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 Network of Youth and Family Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 February 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Florida Network of Youth and Family Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Florida Network of Youth and Family Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Florida Network of Youth and Family Services, Inc.'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 Florida Network of Youth and Family Services, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Florida Network of Youth and Family Services, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL
February 8, 2024



Carr, Riggs & Ingram, LLC
2633 Centennial Boulevard
Suite 200
Tallahassee, Florida 32308

(850) 878-8777
(850) 878-2344 (fax)
CRlcpa.com

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

To the Board of Directors
Florida Network of Youth and Family Services, Inc.
Tallahassee, Florida

Report on Compliance for the Major State Project

Opinion on the Major State Project

We have audited Florida Network of Youth and Family Services, Inc.'s compliance with the types of compliance requirements identified as applicable in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on Florida Network of Youth and Family Services, Inc.'s major state project for the year ended June 30, 2023. Florida Network of Youth and Family Services, Inc.'s major state project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Florida Network of Youth and Family Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended June 30, 2023.

Basis for Opinion on the 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* (Rules of the Auditor General). Our responsibilities under those standards and the Rules of the Auditor General are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Florida Network of Youth and Family Services, 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 the major state project. Our audit does not provide a legal determination of Florida Network of Youth and Family Services, 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 Florida Network of Youth and Family Services, Inc.'s state project.

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 Florida Network of Youth and Family Services, 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 the Rules of the 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 Network of Youth and Family Services, Inc.'s compliance with the requirements of the major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Rules of the 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 regarding Florida Network of Youth and Family Services, 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 Florida Network of Youth and Family Services, 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 the Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of Florida Network of Youth and Family Services, 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 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 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 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 Auditors' 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 Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL
February 8, 2024



OTHER FINANCIAL INFORMATION

**Florida Network of Youth and Family Services, Inc.
 Schedule of Expenditures of State Financial Assistance
 Year Ended June 30, 2023**

Grantor/Pass Through Grantor/ Project Title	CSFA Number	Contract Number	Expenditures	Funds passed to subrecipients
<u>STATE</u>				
State of Florida, Department of Juvenile Justice Children and Families in Need of Services	80.005	10128	\$ 39,227,347	\$ 36,087,618
<u>Total expenditures of state financial assistance</u>			<u>\$ 39,227,347</u>	<u>\$ 36,087,618</u>

*See Independent Auditors' Report and the accompanying notes to
 the Schedule of Expenditures of State Financial Assistance.*

Florida Network of Youth and Family Services, Inc.
Notes to Schedule of Expenditures of
State Financial Assistance
Year Ended June 30, 2023

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the schedule) includes the state grant activity of the Florida Network of Youth and Family Services, Inc. The information in the schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

Note 2: BASIS OF ACCOUNTING

The schedule has been prepared on the modified accrual basis of accounting. The modified accrual basis differs from the full accrual basis as expenditures for fixed assets are expensed when incurred rather than capitalized and depreciated over their useful lives.

Note 3: CONTINGENCIES

Grant monies received and disbursed by the Florida Network of Youth and Family Services, Inc. are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Florida Network of Youth and Family Services, Inc. does not believe that such disallowance, if any, would have a material effect on the financial position of the Florida Network of Youth and Family Services, Inc. As of June 30, 2023, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

Note 4: NONCASH ASSISTANCE

The Florida Network of Youth and Family Services, Inc. did not receive any state noncash assistance for the year ended June 30, 2023.

Note 5: SUBRECIPIENTS

Funds passed to subrecipients are included in the expenditures shown on the schedule.

Florida Network of Youth and Family Services, Inc.
Schedule of Findings and Questioned Costs-
State Financial Assistance
Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

State Financial Assistance:

- | | | | | | |
|---|---|----------------------|--------|---|--|
| 1. Type of auditors’ report issued on compliance for major project | Unmodified | | | | |
| 2. Internal control over major project: | | | | | |
| a. Material weaknesses identified? | No | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, <i>Rules of the Auditor General</i> ? | None noted | | | | |
| 4. Identification of major projects: | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 50%;"><u>CSFA Number</u></td> <td style="text-align: center; width: 50%;"><u>State Project</u></td> </tr> <tr> <td style="text-align: center;">80.005</td> <td style="text-align: center;">Children and Families in Need of Services</td> </tr> </table> | <u>CSFA Number</u> | <u>State Project</u> | 80.005 | Children and Families in Need of Services | |
| <u>CSFA Number</u> | <u>State Project</u> | | | | |
| 80.005 | Children and Families in Need of Services | | | | |
| 5. Dollar threshold used to distinguish between type A and type B projects: | \$1,176,820 | | | | |

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS

None noted

Florida Network of Youth and Family Services, Inc.
Schedule of Findings and Questioned Costs-
State Financial Assistance
Year Ended June 30, 2023
(Continued)

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

None noted

SECTION V – OTHER MATTERS

(a) No management letter is required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)(e)).



REQUIRED COMMUNICATIONS

Required Communications

As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Florida Network of Youth and Family Services, Inc. (the Florida Network). Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the Florida Network's financial statements for the year ended June 30, 2023;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Perform other audit-related projects as they arise and upon request.

Required Communications

We have audited the financial statements of the Florida Network for the year ended June 30, 2023, and have issued our report thereon dated February 8, 2024. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Auditors' responsibility under Generally Accepted Auditing Standards, Government Auditing Standards, and Chapter 10.650, Rules of the Auditor General (Rules of the Auditor General)</p>	<p>As stated in our engagement letter dated October 17, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the Florida Network. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p> <p>Our audit also consisted of issuing reports regarding the Florida Network's internal control, in accordance with <i>Government Auditing Standards</i>, and compliance with certain compliance requirements as it relates to the Florida Network's major state project in accordance with the Rules of the Auditor General.</p>
<p>Client's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the Florida Network and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> • <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i> • <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the Florida Network's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures.</i> <i>Critical accounting policies and practices applied by the Florida Network in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i> • <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i> 	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Florida Network are described in Note 2 to the financial statements.</p> <p>In May 2014, the FASB issued ASU 2016-02, <i>Leases</i> (Topic 842), to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. The Florida Network adopted the standard on July 1, 2022 using the effective date approach, and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.</p> <p>There were no other changes in accounting policies or their application occurred during the current fiscal year.</p> <p>We noted no transactions entered into by the Florida Network during the current fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Further, the disclosures in the Florida Network's financial statements are neutral, consistent, and clear.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p>Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None noted.</p>
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None noted.</p>
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the Florida Network, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>See "Summary of Audit Adjustments section."</p>
<p>Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>To our knowledge, there were no such consultations with other accountants.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Written representations <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	See "Management Representation Letter" section.
<p>Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i></p>	See "Internal Controls" section.
<p>Fraud and illegal acts <i>Fraud involving the Florida Network's management, or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving the Florida Network's management and any other illegal acts, unless clearly inconsequential.</i></p>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
<p>Other information in documents containing audited financial statements <i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p>Significant unusual accounting transactions <i>Auditor communication with governance to include auditors' views on policies and practices management used, as well as the auditors' understanding of the business purpose.</i></p>	No significant unusual accounting transactions were noted during the year.
<p>Supplementary Information in relation to the financial statements as a whole <i>The auditors' responsibility for supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the Florida Network's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Board may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS AND SENSITIVE ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY and APPLICATION
Expenses	The Florida Network allocates expenses between program and supporting services as required by the AICPA Audit and Accounting Guide for Not-for-Profit Entities.	Yes	The allocation of costs among programs and supporting services is based on a combination of direct and indirect allocation of expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Event costs are allocated based on the estimated applicability of the costs to each event. Other indirect and/or shared costs are allocated using payroll allocations of specified employees, or by percentage of total expenses incurred.	The Florida Network's policies are in accordance with all applicable accounting guidelines.

Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS AND SENSITIVE ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY and APPLICATION
Capital Assets	The Florida Network depreciates capital assets using the straight-line method as required by generally accepted accounting principles.	Yes	Capital assets are depreciated over their estimated useful lives. Useful lives are estimated based on experience with similar assets and guidance provided by the AICPA Auditing & Accounting Guide.	The Florida Network's policies are in accordance with all applicable accounting guidelines.
Investments	The Florida Network follows the provisions of ASC 820, <i>Fair Value Measurements</i> , when reporting investments.	Yes	The Florida Network relies on valuations from its brokers for 100% of the asset values. The allocation between levels 1-3 under ASC 820 is based on a detailed management review of the underlying investments.	The Florida Network's policies are in accordance with all applicable accounting guidelines.
Allowance for Doubtful Accounts	The Florida Network estimates an allowance for doubtful accounts.	Yes	Management estimates the allowance for doubtful accounts based on experience and the current economic environment.	The Florida Network's policies are in accordance with all applicable accounting guidelines.
Revenue	The Florida Network must use significant judgment in the determination, recognition, measurement and disclosure of revenues, gains and contributions.	Yes	The determination of the type of revenue, gains or contributions and their recognition is based on a detailed management review of the underlying contracts and agreements.	The Florida Network's policies are in accordance with all applicable accounting guidelines.

Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS AND SENSITIVE ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY and APPLICATION
Leases – Operating	Management determines if an arrangement is a lease or contains a lease at inception. Operating leases are included in operating lease right-of-use assets and operating lease liabilities in the statements of financial position.	Yes	In determining the discount rate used to measure the right-of-use asset and lease liability, the Florida Network uses the rates implicit in the lease, or if not readily available, the Florida Network made the accounting policy election to apply the risk-free rate. In determining the lease term. Management includes options to extend or terminate the lease when it is reasonably certain that the Florida Network will exercise such options.	The Florida Network’s policies are in accordance with all applicable accounting guidelines.

Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the Florida Network and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by the Florida Network or passed (uncorrected).

There were no adjustments proposed during the audit for misstatements.

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Florida Network's operating environment that has been identified as playing a significant role in the Florida Network's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

Management Representation Letter



February 8, 2024

BOARD OF DIRECTORS

Chairman
Dennis Jones

Vice Chairman
Sam Morley

Secretary
Chris Dudley

Treasurer
Allison Hill

Immediate Past Chairman
Carl Weinrich

Executive Committee Member At Large

Sheriff Don Eslinger

Maggie Bowles

Dominic Calabro

Mark Greenwald

Laurie Jackson

Matthew Meadows

Mike Miller

Laine Powell, Ed.D.

Michael Sore

Leila Sundstrom

Ex Officio

Mike Carroll

Renee Layman

Kim Sirdevan

Tierra Smith

Stacy Gromatski, Ed. S.
President/CEO

Carr, Riggs & Ingram, LLC
2633 Centennial Boulevard, Suite 200
Tallahassee, Florida

This representation letter is provided in connection with your audit of the financial statements of Florida Network of Youth and Family Services, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 17, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.

1) The financial statements include certain prior-year summarized comparative information in total but not by functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

2) We acknowledge our responsibility 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.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

5) There are no related-party relationships or transactions that need to be accounted for and disclosed in accordance with U.S. GAAP.

6) There is no known actual or possible litigation, claims, or assessments to be accounted for and disclosed in accordance with U.S. GAAP.

Management Representation Letter

- 7) Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 8) There are no guarantees, whether written or oral, under which the Network is contingently liable, to be recorded or disclosed in accordance with U.S. GAAP.
- 9) As part of your audit, you assisted with the preparation of the financial statements and disclosures; preparation of the schedule of expenditures of state financial assistance and disclosures; preparation of the tax returns; maintenance of the fixed assets schedule; and assistance in preparing journal entries (other than proposed adjustments) related to maintaining the fixed assets schedule and calculating depreciation expense, and calculating lease assets and liabilities for implementation of ASC 842. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience (Karen Sanchez, CFO); evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures; schedule of expenditures of state financial assistance and disclosures; tax returns; fixed assets schedule; and journal entries (other than proposed adjustments) related to maintaining the fixed assets schedule and calculating depreciation expense, and calculating lease assets and liabilities for implementation of ASC 842.

Information Provided

- 10) We have provided you with—
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Network from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of state financial assistance.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Network and involves—
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Network's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 15) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the names of all of the Network's related parties and all the related-party relationships and transactions, including any side agreements.
- 18) The Network has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 19) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

Management Representation Letter

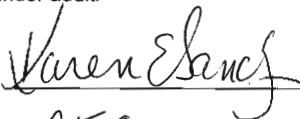
- 20) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 21) Florida Network of Youth and Family Services, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Network's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 22) We acknowledge our responsibility for presenting the schedule of expenditures of state financial assistance and disclosures (SESFA) in accordance with U.S. GAAP, and we believe the SESFA, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the SESFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 23) With respect to state financial assistance projects:
 - a) We are responsible for understanding and complying with, and have complied with, the requirements of Chapter 10.650, Rules of the Auditor General (Rules of the Auditor General) and the Florida Department of Financial Services' State Projects Compliance Supplement, including requirements relating to preparation of the SESFA.
 - b) We acknowledge our responsibility for preparing and presenting the SESFA and related disclosures in accordance with the requirements of the Rules of the Auditor and we believe the SESFA, including its form and content, is fairly presented in accordance with the Rules of the Auditor General. The methods of measurement or presentation of the SESFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SESFA.
 - c) If the SESFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SESFA no later than the date we issue the SESFA and the auditors' report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Rules of the Auditor General compliance audit, and have included in the SESFA, expenditures made during the audit period for all awards provided by state agencies in the form of state financial assistance, state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - e) We are responsible for understanding and complying with, and have complied with, the requirements of state statutes, regulations, and the terms and conditions of state financial assistance related to our state project and have identified and disclosed to you the requirements of state statutes, regulations, and the terms and conditions of state financial assistance that are considered to have a direct and material effect on the major project.
 - f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for state projects that provides reasonable assurance that we are managing our state financial assistance in compliance with state statutes, regulations, and the terms and conditions of state financial assistance that could have a material effect on our state project. We believe the internal control system is adequate and is functioning as intended.
 - g) We have made available to you all state financial assistance agreements (including amendments, if any) and any other correspondence with state agencies or pass-through entities relevant to state projects and related activities.
 - h) We have received no requests from a state agency to audit one or more specific projects as a major project.
 - i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including, when applicable, those set forth in the Florida Department of Financial Services' *State Projects Compliance Supplement*, relating to state financial assistance and confirm that there were no amounts questioned and no known compliance with the direct and material compliance requirements of state financial assistance.

Management Representation Letter

- j) We have disclosed any communications from state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
 - k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
 - l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - m) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to state project financial reports and claims for advances and reimbursements.
 - n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - o) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
 - p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditors' report.
 - q) State project financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - r) The copies of state project financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective state agency or pass-through entity, as applicable.
 - s) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with state statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Rules of the Auditor General.
 - t) We have issued management decisions for audit findings that relate to state financial assistance made to subrecipients. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the state financial assistance provided to the subrecipient.
 - u) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
 - v) We have charged costs to state financial assistance in accordance with applicable cost principles.
 - w) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - x) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
- 24) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 25) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

Signature: _____

Title: _____


CFO



**INTERNAL CONTROL
RECOMMENDATIONS**

The Board of Directors and Management of
Florida Network of Youth and Family Services, Inc.

In planning and performing our audit of the financial statements of Florida Network of Youth and Family Services, Inc. (the Florida Network) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Florida Network's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Florida Network's internal control. Accordingly, we do not express an opinion on the effectiveness of the Florida Network'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 Florida Network's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Florida Network, and is not intended to be, and should not be, used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

February 8, 2024