

LAUREN'S KIDS, INC.
FINANCIAL STATEMENTS AND STATE OF FLORIDA SINGLE AUDIT
DECEMBER 31, 2023 AND 2022

LAUREN'S KIDS, INC.
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DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Lauren's Kids, Inc.
Hollywood, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lauren's Kids, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 the Organization as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 opinion.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 is presented for purposes of additional analysis and is required by Chapter 10.650, *Rules of Florida Auditor General* 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 September 26, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

PAAST.PL

Certified Public Accountants
Coral Gables, Florida
September 26, 2024

LAUREN'S KIDS, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31,

	2023	2022
ASSETS		
Cash	\$ 3,347,932	\$ 3,591,470
Investments	2,369,943	-
Grants and other receivables	1,177,571	450,059
Prepaid expenses	44,421	26,582
TOTAL ASSETS	\$ 6,939,867	\$ 4,068,111
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 15,506	\$ 20,202
Accrued expenses	34,528	35,229
Deferred revenue	38,866	-
TOTAL LIABILITIES	88,900	55,431
NET ASSETS		
Without donor restrictions	6,850,967	4,012,680
TOTAL NET ASSETS	6,850,967	4,012,680
TOTAL LIABILITIES AND NET ASSETS	\$ 6,939,867	\$ 4,068,111

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

LAUREN'S KIDS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants	\$ 2,228,296	\$ -	\$ 2,228,296	\$ 2,057,890	\$ -	\$ 2,057,890
Contributions	2,939,425	-	2,939,425	714,632	-	714,632
Program service	99,372	-	99,372	154,544	-	154,544
Donated goods and services	223,713	-	223,713	250,786	-	250,786
Special events	666,446	-	666,446	237,309	-	237,309
Investment return, net	299,605	-	299,605	-	-	-
Other	-	-	-	5,883	-	5,883
TOTAL SUPPORT AND REVENUE	6,456,857	-	6,456,857	3,421,044	-	3,421,044
Net assets released from restrictions:						
Restrictions satisfied by payments	-	-	-	183,800	(183,800)	-
TOTAL SUPPORT AND REVENUE	6,456,857	-	6,456,857	3,604,844	(183,800)	3,421,044
EXPENSES						
Programs	2,733,659	-	2,733,659	2,502,849	-	2,502,849
Fundraising	457,009	-	457,009	556,728	-	556,728
Management and general	427,902	-	427,902	315,380	-	315,380
TOTAL EXPENSES	3,618,570	-	3,618,570	3,374,957	-	3,374,957
CHANGE IN NET ASSETS	2,838,287	-	2,838,287	229,887	(183,800)	46,087
NET ASSETS, BEGINNING OF YEAR	4,012,680	-	4,012,680	3,782,793	183,800	3,966,593
NET ASSETS, END OF YEAR	\$ 6,850,967	\$ -	\$ 6,850,967	\$ 4,012,680	\$ -	\$ 4,012,680

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

LAUREN'S KIDS, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED DECEMBER 31,

	2023				2022			
	Programs	Management and General	Fundraising	Total	Programs	Management and General	Fundraising	Total
EXPENSES								
Advertising	\$ 7,618	\$ -	\$ -	\$ 7,618	\$ 8,640	\$ -	\$ -	\$ 8,640
Awards	11,550	-	1,000	12,550	18,800	-	-	18,800
Conferences, meetings and travel	37,676	69	129	37,874	7,069	-	-	7,069
Credit card processing fees	1,952	-	8,028	9,980	1,550	-	2,514	4,064
Facilities and equipment rental	1,102	12,178	25,846	39,126	14,940	5,617	23,714	44,271
Insurance	447	1,960	4,371	6,778	2,445	717	3,293	6,455
Misc. and other expenses	9	5,949	-	5,958	163	610	21	794
Office expenses	54,887	22,941	717	78,545	47,224	49,058	627	96,909
Payroll taxes	601	6,646	14,105	21,352	3,736	12,722	3,358	19,816
Postage and delivery	51,182	150	3,315	54,647	58,067	89	198	58,354
Printing and sopying	169,272	2,481	-	171,753	27,283	54	-	27,337
Professional services	64,322	29,893	-	94,215	75,604	25,000	-	100,604
Professional services (in-kind)	-	110,400	-	110,400	105,200	-	-	105,200
Donated goods and services (in-kind)	-	-	113,313	113,313	-	-	145,586	145,586
Special events expenses	119,004	-	185,126	304,130	831	-	319,403	320,234
Program services	2,102,967	1,514	56,151	2,160,632	2,054,963	1,700	-	2,056,663
Salaries and benefits	97,830	233,721	44,908	376,459	64,553	219,813	58,014	342,380
Supplies, materials and other	13,240	-	-	13,240	11,781	-	-	11,781
TOTAL EXPENSES	\$ 2,733,659	\$ 427,902	\$ 457,009	\$ 3,618,570	\$ 2,502,849	\$ 315,380	\$ 556,728	\$ 3,374,957

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

LAUREN'S KIDS, INC.
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31,

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,838,287	\$ 46,087
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated investments included in contributions	(2,191,981)	-
Realized gain on sale of investments	(7,429)	-
Unrealized gain on investments	(257,179)	-
Changes in operating assets and liabilities:		
Grants and other receivables	(727,512)	445,823
Prepaid expenses	(17,839)	107,867
Accounts payable	(4,696)	9,830
Accrued expenses	(701)	6,620
Deferred revenue	38,866	(19,000)
TOTAL ADJUSTMENTS	<u>(3,168,471)</u>	<u>551,140</u>
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(330,184)</u>	<u>597,227</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale and redemption of investments	86,646	-
CASH PROVIDED BY INVESTING ACTIVITIES	<u>86,646</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(243,538)	597,227
CASH AT BEGINNING OF YEAR	<u>3,591,470</u>	<u>2,994,243</u>
CASH AT END OF YEAR	<u>\$ 3,347,932</u>	<u>\$ 3,591,470</u>

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

NOTE 1 - NATURE OF ORGANIZATION

Lauren's Kids, Inc. (the "Organization") is a Florida not-for-profit organization organized to prevent sexual abuse through awareness and education, and to help survivors heal with guidance and support. The State of Florida, through its agencies, provides substantial direct and indirect support to the Organization. The Organization receives the majority of this funding for the creation and distribution of a safety curriculum. Similar activities will be undertaken in the future depending upon future funding.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The financial statements are presented in accordance with accounting guidance for Not-for-Profit Organizations. Accordingly, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Contributions are classified based on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

B) USE OF ESTIMATES

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those reported.

C) INVESTMENTS

Investments are held for an indefinite period and thus are classified as available for sale and are recorded at fair market value. In general, the fair market value of investments is determined by the last reported sales price, using quoted market prices on the last business day of the fiscal year. The fair value of investments in marketable equity securities is based on quoted market prices. Corporate bonds are valued at the closing price reported in the active market in which the individual securities are traded or are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas which may include market-corroborated inputs for credit risk factors, interest rate and yield curves and broker quotes, to calculate fair values. Exchange-traded funds (ETFs) are valued at the reported net asset value. Investments received as contributions are recorded at the quoted market value or estimated fair value at the date of receipt. Net investment return (loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) GRANTS AND OTHER RECEIVABLES

Grants and other receivables are reported at net realizable value. The allowance for credit losses is the Organization's best estimate of the amount that will not be collected. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is remote. Management has determined no allowance is necessary as of December 31, 2023 and 2022 since all receivables were collected subsequent to year end.

E) PROPERTY AND EQUIPMENT

The Organization capitalizes property and equipment over \$500. Property and equipment are stated at cost when purchased or at the fair value at the date of gift when donated. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the related assets. As of December 31, 2023 and 2022, all furniture and equipment were fully depreciated.

F) REVENUE RECOGNITION

Contributions

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances. The Organization does not have any conditional contributions as of December 31, 2023 or 2022.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions. All contributions are considered to be available for use, unless specifically restricted by the donor.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F) REVENUE (CONTINUED)

Grant Revenue, Vehicle Registration and Voluntary Contributions

The Organization receives grants and contracts from several sources including state agencies and other grantors. Revenue from grants and contracts designated for use in specific activities is recognized in the period when expenditures have been incurred in compliance with the grant or contract. Funds received from grants and contracts in excess of expenditures incurred is recorded as deferred revenue, until the Organization meets the conditions.

Exchange Transactions

Reciprocal transfers in which each part receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services.

To achieve that core principle, an entity should apply the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

Special Events

The Organization applies Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, and all subsequent amendments to the ASU (collectively, Topic 606), to exchange transactions in which it receives consideration from individuals for special events. The portion of ticket sales for special events that relates to the commensurate value the attendee receives in return is recognized as revenue without donor restriction at the point in time when the related events are held, and performance obligations are met. Contributions from special events is recorded as support without donor restrictions (unless restricted by the donor) when received in the period the event occurs. Cash received for events occurring in the future are recorded as increases in net assets with donor restrictions and released from restriction in the year the event occurs.

Program Service Revenue

The Organization generates program service revenues from curriculum and merchandise sales, recycling services and program events at a point in time. Under U.S. GAAP, these arrangements are exchange transactions, under Topic 606, between the Organization and the individuals participating in the Organization's programs or using their services. Program service revenue is recognized as related expenditures are incurred, services are performed, products are delivered or once an event occurs and therefore the performance obligation is met.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G) IN-KIND CONTRIBUTIONS

In-kind contributions are reflected as contributions at their fair value at the date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services create or enhance nonfinancial assets or requires specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. In-kind contributions are comprised of donated media, advertising, travel, legal and other services. Donated services provided by volunteers in connection with various programs are not recorded as contributions by the Organization within the financial statements since they do not meet the requirements under financial accounting standards.

H) PREPAID EXPENSES

Prepaid expenses primarily consist of deferred charges related to special events for the upcoming year.

I) FUNCTIONAL EXPENSES

Functional expenses are those expenses incurred by the Organization in the accomplishment of their mission. The statements of functional expenses present expenses by function and natural classification. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Other expenses are allocated among program and supporting services based on a reasonable basis that is consistently applied. The expenses that are allocated include: depreciation, insurance, maintenance and repairs, rent, utilities, and other expenses which are allocated based on estimated usage; salaries and wages, payroll taxes and employee benefits, are allocated on the basis of estimates of time and effort.

J) INCOME TAXES

The Organization is exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and similar Florida statutes. Accordingly, no provision for income taxes has been recorded.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expenses and other non-interest expense, respectively.

The U.S. Federal jurisdiction is the major tax jurisdiction where the Organization files international tax returns. The Organization is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2020.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K) RECENT ACCOUNTING PRONOUNCEMENTS

The Organization evaluates new accounting pronouncements for relevance and impact on its financial statements.

During 2023, the Organization adopted Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses*. However, the adoption of the ASU did not have an impact on the Organization's financial statements.

L) ORGANIZATION'S REVIEW OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 26, 2024, the date when the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization maintains a policy of structuring its financial assets to be available as its general expenses, liabilities and other obligations come due. The Organization's financial assets available within one year of the statements of financial position date for general expenses at December 31, are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 3,347,932	\$ 3,591,470
Investments	2,369,943	-
Grants and other receivables	<u>1,177,571</u>	<u>450,059</u>
Total Financial assets available to management for general expenditures within one year	<u>\$ 6,895,446</u>	<u>\$ 4,041,529</u>

The Organization's net assets without donor restrictions are available to fund liquidity needs as they arise.

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

On October 9, 2023, the Organization received an investment portfolio from another non-profit organization as a contribution, which was recorded at fair value at the date of receipt in the amount of \$2,213,877.

In accordance with the Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 820, Fair Value Measurement and Disclosures, the Organization has defined and established a framework for measuring fair value and expanded disclosures about fair value measurements. Various inputs are used in determining the value of the Organization's investments. These inputs are summarized in three levels listed below:

- Level 1 - inputs are quoted market prices (unadjusted) in active markets for identical investments that the reporting entity can access at the measurement date.

NOTE 4 - INVESTMENTS (CONTINUED)

- Level 2 - inputs are other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly (e.g. quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices).
- Level 3 - inputs are significant unobservable inputs (e.g. information about assumptions, including risk, market participants would use in pricing a security). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities

Fair value of investments, by major type, are classified at December 31, 2023 as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)
Stocks and ETFs	\$ 2,300,413
Corporate bonds	<u>69,531</u>
Total investments	<u>\$ 2,369,943</u>

Investment return, net of fees, for the year ended December 31, 2023, consist of the following:

Dividends and interest	\$ 40,091
Realized and unrealized gain on investments	264,608
Investment advisory fees	<u>(5,094)</u>
Investment return, net	<u>\$ 299,605</u>

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, consist of the following:

	<u>2023</u>	<u>2022</u>
Florida Department of Education	\$ 1,165,088	\$ 436,792
Florida Department of Highway Safety and Motor Vehicles	4,947	5,035
Other receivables	<u>7,536</u>	<u>8,232</u>
Total accounts receivable	<u>\$ 1,177,571</u>	<u>\$ 450,059</u>

All accounts receivable were collected subsequent to year end.

LAUREN'S KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 6 - ACCRUED EXPENSES

Accrued expenses at December 31, consist of the following:

	<u>2023</u>	<u>2022</u>
Accrued professional service fees	\$ 27,000	\$ 27,000
Accrued payroll	7,528	7,218
Accrued rent	<u>-</u>	<u>1,011</u>
Total accrued expenses	<u>\$ 34,528</u>	<u>\$ 35,229</u>

NOTE 7 - GRANT REVENUE

Grant revenue for the year ended December 31, consist of the following

	<u>2023</u>	<u>2022</u>
Florida Department of Education	<u>\$ 2,228,296</u>	<u>\$ 2,057,890</u>

NOTE 8 - IN-KIND CONTRIBUTIONS

In-kind contributions are recognized in the accompanying financial statements based on their fair value at the time of donation. In-kind contributions are included within "Professional services (in-kind)" and "Program goods and services (in-kind)" in the statements of functional expenses. In-kind contributions for the year ended December 31, consist of the following:

	<u>2023</u>	<u>2022</u>
Professional services	\$ 110,400	\$ 105,200
Other goods and services	<u>113,313</u>	<u>145,586</u>
Total in-kind contributions	<u>\$ 223,713</u>	<u>\$ 250,786</u>

NOTE 9 - VOLUNTARY CONTRIBUTIONS AND LICENSE PLATES

Through the Florida Department of Highway Safety and Motor Vehicles, the Organization receives voluntary contributions and funds from the sale of license plates. Revenue from voluntary contributions and license plates are included within "Contributions" in the statements of activities. Voluntary contributions and license plates consist of the following:

	<u>2023</u>	<u>2022</u>
Voluntary contributions	\$ 233,975	\$ 246,674
License plates	<u>269,421</u>	<u>253,019</u>
Total	<u>\$ 499,693</u>	<u>\$ 499,693</u>

NOTE 10 - RELATED PARTY TRANSACTIONS

During October 2022, the Organization entered into a sub-lease agreement with a related party for an 8-month period which expired in June 2023. During July 2023, the sub-lease was renewed for a 12-month period which expired in June 2024, and was renewed for another 12-month period expiring in June 2025. Approximate minimum future rental commitments are \$35,000.

Payments made under this arrangement, including rent and other variable charges totaled \$39,126 and \$44,271 for the years ended December 31, 2023 and 2022, respectively, and are included in "Facilities and equipment rental" in the statements of functional expenses.

NOTE 11 - RISK AND UNCERTAINTIES

Concentration of Credit Risk

The Organization maintains its cash balances at a financial institution which, at times, may exceed the federally insured limits. At December 31, 2023 and 2022, the Organization's uninsured bank balances approximated \$367,000 and \$3,350,000 respectively. No losses have been experienced related to such accounts.

Grants receivable credit risk is limited due to the nature of the state grants. The Organization regularly monitors its grants receivable by investigating delayed payments and differences when payments received do not conform to the amount billed. The Organization considers all grants receivable as collectible.

Significant Vendors and Grantor

The Organization uses various third-party service providers for its programs. For the year ended December 31, 2023, payments to one vendors totaled approximately \$1,202,000. For the year ended December 31, 2022, payments to two vendors totaled approximately \$1,302,000.

The State of Florida, through its agencies, accounted for 44% and 75% of total support and revenue for the years ended December 31, 2023 and 2022, respectively.

SUPPLEMENTAL INFORMATION



**Independent Auditor’s Report On Internal Control Over Financial Reporting And On
Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With *Government Auditing Standards***

To the Board of Directors of
Lauren’s Kids, Inc.
Hollywood, 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 Lauren’s Kids, Inc. (the “Organization”), a nonprofit organization, which comprise of the Organization’s statement of financial position as of December 31, 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 September 26, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Purpose of this Report

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

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Certified Public Accountants
Coral Gables, Florida
September 26, 2024



Independent Auditor's Report on Compliance for Each Major State Project And On Internal Control Over Compliance Required By Chapter 10.650, Rules of the Auditor General of the State of Florida

To the Board of Directors of
Lauren's Kids, Inc.
Hollywood, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Lauren's Kids, Inc.'s (the "Organization"), compliance with the types of compliance requirements identified as subject to audit in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the Organization's major state project for the year ended December 31, 2023. The Organization's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended December 31, 2023.

Basis for Opinion on Each Major State Project

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

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization'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 GAAS, *Government Auditing Standards*, and Chapter 10.650 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 the Organization's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, 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 the Organization'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 the Organization'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 Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

PAAST.PL

Certified Public Accountants
Coral Gables, Florida
September 26, 2024

LAUREN'S KIDS, INC.
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2023

State Grantor/ Pass through Grantor	State Assistance Number	Contract/ Grant Number	Transfer to Sub-recipients	Total State Expenditures
State of Florida Department of Education and Commissioner of Education				
Safer, Smarter Schools	48.148	92F-92350-3Q001 92F-92350-4Q001	\$ -	\$ 2,228,296
State of Florida Department of Highway Safety and Motor Vehicles				
Prevent Sexual Child Abuse Voluntary Contribution	76.112	N/A	-	194,538
Lauren's Kids License Plates	76.134	NA	-	270,198
Total Expenditures of State Financial Assistance			\$ -	\$ 2,693,032

See accompanying notes to the schedule of expenditures of state financial assistance.

LAUREN'S KIDS, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - GENERAL INFORMATION

The accompanying Schedule of Expenditures of State Financial Assistance (the "Schedule") presents the activity of all state projects of Lauren's Kids, Inc. (the "Organization") for the year ended December 31, 2023. The Schedule presents only a selected portion of the operations of the Organization and it is not intended to and does not present the financial position changes in net assets or cash flows of the Organization.

NOTE 2 - BASIS OF PRESENTATION

The accompanying Schedule is presented using the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements Section 215.97, *Florida Statutes*. The amounts reported in the Schedule as expenditures may differ from certain financial reports submitted to State funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

NOTE 3 - SUB-RECIPIENTS

None of the expenditures of state financial assistance included in the Schedule were paid or provided to sub-recipients.

LAUREN'S KIDS, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Section I - SUMMARY OF AUDIT RESULTS

FINANCIAL STATEMENTS	RESULTS
Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP?	Unmodified
Internal control over financial reporting: Material weakness identified?	No
Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No
STATE PROJECTS	
Internal control over major projects: Material weakness identified?	No
Significant deficiency identified?	None reported
Type of auditor's report issued on compliance for the major projects?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, Rules of the Florida Auditor General?	No
Identification of major state project: CSFA Number:	
48.148	Safer, Smart Schools
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

Section III - MAJOR PROJECT AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

LAUREN'S KIDS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section IV - PRIOR YEAR FINDINGS AND OTHER MATTERS

A summary schedule of prior audit findings is not required because there were no prior audit findings.

A management letter is not required as there were no findings required to be reported.

A corrective action plan is not required as there were no findings required to be reported under the Florida Single Audit Act.