



Twin Oaks Juvenile Development, Inc.

FINANCIAL STATEMENTS

June 30, 2023

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REPORT





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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
Twin Oaks Juvenile Development, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Twin Oaks Juvenile Development, Inc. (the Organization, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (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 opinions.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 3 to the financial statements, the Organization has suffered significant losses from operations and has guaranteed debt of a related party where interest rates are variable that raise substantial doubt about the Organization's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 2 to the financial statements, effective July 1, 2022, the Organization 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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

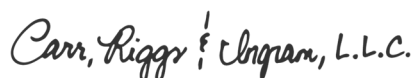
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General* of the State of Florida, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025 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 effectiveness of 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.



CARR, RIGGS & INGRAM, L.L.C.

Tallahassee, FL
September 30, 2025



FINANCIAL STATEMENTS



Twin Oaks Juvenile Development, Inc.
Statement of Financial Position

June 30,

2023

Assets

Current assets

Cash and cash equivalents	\$	3,432,639
Grants and contracts receivable		3,441,377
Due from related parties		2,119,109
Prepaid expenses		1,177,745
Total current assets		10,170,870

Noncurrent assets

Property and equipment, net		1,208,549
Operating lease right-of-use assets, net		1,748,123
Deposits		109,000
Total noncurrent assets		3,065,672

Total assets	\$	13,236,542
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Liabilities and Net Assets

Current liabilities

Accounts payable and accrued expenses	\$	819,670
Due to related parties		1,011,808
Accrued salaries		1,886,862
Accrued leave		310,637
Borrowings on line of credit		443,786
Current portion of notes payable		1,287,376
Current portion of operating lease liabilities		552,848
Refundable advances		2,223,747
Total current liabilities		8,536,734

Noncurrent liabilities

Notes payable, less current portion		74,988
Operating lease liabilities, less current portion		1,219,744
Total noncurrent liabilities		1,294,732

Total liabilities		9,831,466
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Net assets without donor restrictions		3,405,076
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Total liabilities and net assets	\$	13,236,542
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The accompanying notes are an integral part of this financial statement.

Twin Oaks Juvenile Development, Inc.
Statement of Activities

For the year ended June 30,

2023

Revenue and Other Support

Grants and contracts	\$ 37,508,086
Contributions in-kind	1,769,702
Education	1,314,650
Interest	160,391
Rent	23,610
Other income	6,789
Contributions	1,000

Total revenue and other support	40,784,228
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Expenses

Program services	39,264,289
Supporting services - general and administrative	1,802,428

Total expenses	41,066,717
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Change in net assets	(282,489)
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Net assets at beginning of year, as previously reported	1,785,593
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Correction of error - see Note 4	1,901,972
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Net assets at beginning of year, as restated	3,687,565
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Net assets at end of year	\$ 3,405,076
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The accompanying notes are an integral part of this financial statement.

Twin Oaks Juvenile Development, Inc.
Statement of Functional Expenses

	Program Services							
	Juvenile Unit for Specialized Treatment	Developing Opportunities through Vocational Education Academy	Project Connect	Liberty County School Board Education	Waypoint Academy	Waypoint South	Youth Work Experience Program	
<i>For the year ended June 30, 2023</i>								
Salaries and employee benefits	\$ 2,297,920	\$ 2,560,681	\$ 2,975,241	\$ 404,687	\$ 335,484	\$ 2,138,619	\$ 180,923	
Occupancy	246,650	205,250	353,800	-	-	245,286	-	
Management fees	147,684	83,696	153,285	-	-	295,350	-	
Professional fees	126,137	141,097	216,250	16,700	68,499	65,163	2,046	
Management fees in-kind	-	-	-	-	-	-	-	
Insurance	129,680	85,995	182,612	17,922	7,761	130,884	11,126	
Transportation	143,124	69,442	105,727	6,337	15,309	41,060	55,046	
Student clothing, dorm, food	150,012	227,665	2,705	2,000	1,976	84,895	-	
Telephone and utilities	67,962	90,777	82,114	700	664	104,851	4,266	
Repairs and maintenance	54,329	96,355	33,373	9,683	22,380	50,128	5,614	
Office	26,899	35,950	84,327	12,464	4,836	83,562	75	
Travel	5,486	5,495	184,951	2,175	14,550	146,988	-	
Equipment	65,542	45,554	48,032	-	-	70,329	-	
Facilities supplies	37,689	48,784	8,743	-	24,592	30,802	-	
Rent	-	-	187,319	-	-	-	-	
Vocational supplies	10,875	2,298	-	-	-	-	124,879	
Academic supplies	140	54,903	16,262	11,994	29,362	2,732	-	
Depreciation and amortization	6,272	5,220	8,997	-	-	6,238	-	
Training	1,771	2,192	8,076	5	134	4,660	395	
Contactual services	7,151	5,480	703	-	-	12,648	-	
Taxes	-	-	-	-	-	-	-	
Total expenses	3,525,323	3,766,834	4,652,517	484,667	525,547	3,514,195	384,370	
Administrative cost allocation	195,994	290,534	302,550	48,627	52,555	32,449	38,429	
Total	\$ 3,721,317	\$ 4,057,368	\$ 4,955,067	\$ 533,294	\$ 578,102	\$ 3,546,644	\$ 422,799	

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

Twin Oaks Juvenile Development, Inc.
Statement of Functional Expenses
(Continued)

	Program Services							
	Apalachicola Forest Youth Camp	Twin Oaks Forensic Outpatient Services	Boys & Girls Club	Boys & Girls Club 21st Century - Community	Boys & Girls Club 21st Century - Program	National School Lunch Program	Twin Oaks Community Services - Adoption	Twin Oaks Community Services - Visitation
<i>For the year ended June 30, 2023</i>								
Salaries and employee benefits	\$ 4,485,462	\$ 817,190	\$ 591,788	\$ 233,460	\$ 279,968	\$ -	\$ 349,253	\$ 275,243
Occupancy	1,308,422	231,800	-	-	-	-	-	-
Management fees	567,070	175,610	-	-	-	-	34,791	25,606
Professional fees	245,234	783,038	12,499	1,283	1,793	-	3,992	2,486
Management fees in-kind	-	-	-	-	-	-	-	-
Insurance	224,022	75,559	13,261	-	-	-	20,348	5,091
Transportation	112,691	29,061	33,379	-	-	-	363	-
Student clothing, dorm, food	300,539	-	72,245	9,838	-	-	2,009	-
Telephone and utilities	92,124	70,437	4,316	-	-	-	3,919	2,133
Repairs and maintenance	127,831	8,009	4,757	-	-	-	-	-
Office	78,350	25,626	16,425	33	-	1,105	619	38
Travel	4,057	60,444	10,240	-	-	-	3,606	-
Equipment	96,177	134	-	-	-	-	-	458
Facilities supplies	64,856	-	-	-	-	-	-	-
Rent	-	26,572	-	-	-	-	-	-
Vocational supplies	-	-	-	-	-	-	-	-
Academic supplies	-	-	-	-	-	-	-	-
Depreciation and amortization	37,546	5,895	-	-	-	-	-	-
Training	10,781	468	1,517	1,310	-	-	1,160	-
Contactual services	7,134	340	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-
Total expenses	7,762,296	2,310,183	760,427	245,924	281,761	1,105	420,060	311,055
Administrative cost allocation	158,368	43,761	76,043	-	-	-	7,215	5,500
Total	\$ 7,920,664	\$ 2,353,944	\$ 836,470	\$ 245,924	\$ 281,761	\$ 1,105	\$ 427,275	\$ 316,555

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

Twin Oaks Juvenile Development, Inc.
Statement of Functional Expenses
(Continued)

	Program Services					Supporting Services		Total Expenses
	Twin Oaks Community Services - Case Management	Twin Oaks Community Services - Wraparound	Harriet's Haven	Waypoint North	Total Program	General and Administrative		
<i>For the year ended June 30, 2023</i>								
Salaries and employee benefits	\$ 2,414,065	\$ 475,940	\$ 936,577	\$ 1,910,378	\$ 23,662,879	\$ 509,671	\$ 24,172,550	
Occupancy	-	-	200,000	600,000	3,391,208	984	3,392,192	
Management fees	281,083	43,287	96,926	255,612	2,160,000	-	2,160,000	
Professional fees	29,983	4,404	67,370	123,022	1,910,996	168,138	2,079,134	
Management fees in-kind	-	-	-	-	-	1,769,702	1,769,702	
Insurance	97,570	17,921	49,371	138,526	1,207,649	187,006	1,394,655	
Transportation	167,588	457	28,819	59,226	867,629	272,464	1,140,093	
Student clothing, dorm, food	7,978	692	33,673	178,066	1,074,293	519	1,074,812	
Telephone and utilities	27,766	6,790	31,105	96,665	686,589	27,089	713,678	
Repairs and maintenance	49,645	227	75,542	32,965	570,838	88,716	659,554	
Office	21,004	1,607	20,517	24,003	437,440	137,030	574,470	
Travel	9,088	-	2,638	261	449,979	33,688	483,667	
Equipment	596	-	30,450	77,877	435,149	7,263	442,412	
Facilities supplies	-	-	33,116	28,970	277,552	712	278,264	
Rent	-	19,091	14,401	-	247,383	-	247,383	
Vocational supplies	-	-	-	-	138,052	355	138,407	
Academic supplies	-	-	363	-	115,756	-	115,756	
Depreciation and amortization	-	-	5,112	15,258	90,538	-	90,538	
Training	7,849	435	12,125	2,905	55,783	196	55,979	
Contactual services	-	-	858	10,723	45,037	-	45,037	
Taxes	-	-	-	-	-	38,434	38,434	
Total expenses	3,114,215	570,851	1,638,963	3,554,457	37,824,750	3,241,967	41,066,717	
Administrative cost allocation	30,338	13,798	63,191	80,187	1,439,539	(1,439,539)	-	
Total	\$ 3,144,553	\$ 584,649	\$ 1,702,154	\$ 3,634,644	\$ 39,264,289	\$ 1,802,428	\$ 41,066,717	

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

Twin Oaks Juvenile Development, Inc. Statement of Cash Flows

For the year ended June 30,

2023

Operating Activities

Change in net assets	\$	(282,489)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization of property and equipment		90,538
Amortization of operating lease right-of-use assets, net		480,644
Changes in operating assets and liabilities:		
Grants and contracts receivable		573,562
Employee Retention Credits receivable		1,901,972
Due from related parties		(394,389)
Prepaid expenses		(198,920)
Accounts payable and accrued expenses		(7,164)
Due to related parties		(356,131)
Accrued salaries		529,087
Accrued leave		21,875
Refundable advances		697,951
Operating lease liabilities		(456,175)
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Net cash provided by (used in) operating activities		2,600,361

Investing Activities

Purchases of property and equipment		(341,059)
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Net cash provided by (used in) investing activities		(341,059)

Financing Activities

Borrowings on line of credit		125,955
Payments on line of credit		(32,364)
Payments on notes payable		31,920
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Net cash provided by (used in) financing activities		125,511

Net change in cash and cash equivalents		2,384,813
Cash and cash equivalents at beginning of year		1,047,826
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Cash and cash equivalents at end of year	\$	3,432,639

Supplemental Cash Flow Information

Cash paid for interest	\$	43,387
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Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	520,689

Schedule of Noncash Transactions

Lease liabilities arising from obtaining operating lease right-of-use assets	\$	832,477
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The accompanying notes are an integral part of this financial statement.

Twin Oaks Juvenile Development, Inc. Notes to Financial Statements

Note 1: NATURE OF OPERATIONS

Established in 1998, Twin Oaks Juvenile Development, Inc. (the Organization) is a 501(c)(3), not-for-profit corporation that was incorporated in Florida for the sole purpose of providing a quality continuum of care to youth and their families. The Organization operates various programs to serve youth offenders in a variety of programs in Liberty, Madison and Jackson County. There are programs that provide services to juvenile offenders by providing them with a unique setting with a balanced approach to lead to successful and safe integration of the youth into the family and community as a responsible, productive and accountable citizen. Various services provide education and vocational opportunities. Programs also provide competency restoration services, and case management and community liaison services, for the purpose of restoring the juvenile's competency to proceed.

The Organization also operates or does business under the following names:

- Apalachicola Forest Youth Camp
- Twin Oaks Community Services
- Waypoint Charter Academy
- Gluestream America
- Waypoint Treatment Center
- Boys and Girls Club of Tabula Rasa

The following entities are considered related parties of the Organization:

- Liberty Wilderness Crossroads Camp, Inc. (LWCC): Owned and controlled by officers of the Organization
- Jackson Oaks, LLC (JO): Single member LLC, owned 100% by LWCC
- Twin Oaks Madison, LLC (TO-M): Single member LLC, owned 100% by LWCC
- Twin Oaks Facilities International, LLC (TOFI): Single member LLC, owned 100% by LWCC
- Compass Sleep Products, LLC (CSP): Single member LLC, owned 100% by LWCC

The Organization's programs consist of the following:

Apalachicola Forest Youth Camp (AFYC): Provides intensive competency restoration services to juveniles charged with delinquent acts or violations of law, which would be felonies if committed by an adult and who have been found incompetent to proceed to trial due to a mental illness or intellectual disabilities. Funding for this program is through the Florida Department of Children and Families (DCF).

Boys & Girls Club (B&G Club): Provides after-school activities, assistance with schoolwork, and educational field trips and events for youth. Funding for this program is through various grants from the Boys & Girls Club of America.

Boys & Girls Club 21st Century (21st Century), Community and Program: Provides academic enrichment opportunities for children during out-of-school time, including before-and after-school and over the summer, offering academic support and enrichment programs, social emotional learning, STEM activities, tutoring and physical activities. Funding for this program is through Florida Department of Education (DOE) grants through B&G Club.

Twin Oaks Juvenile Development, Inc. Notes to Financial Statements

Note 1: NATURE OF OPERATIONS (Continued)

Developing Opportunities through Vocational Education (DOVE) Academy: Serves females, ages 15 to 18, who are in need of mental health or substance abuse treatment services in a non-secure residential commitment program. Funding for this program is through DJJ and the Jackson County School Board.

Harriet's Haven: Serves females in the foster care system in need of a residential placement. Funding for this program is through various Community Based Care (CBC) providers in Florida.

Juvenile Unit for Specialized Treatment (JUST): Provides residential mental health treatment program for adjudicated males between the ages of 13 and 17. Funding for this program is through the Florida Department of Juvenile Justice (DJJ).

Liberty County School Board (LCSB) Education: Provides all educational services for youth residing in the Organization's facilities located in Liberty County, Florida. Funding for this program is through the Liberty County School Board.

National School Lunch Program (NSLP): A federally assisted meal program which provides nutritionally balanced, low-cost or free breakfasts, lunches and snacks to children each school day.

Project Connect: Provides transitional services in DJJ's North Region to youth who are making the transition out of residential commitment programs back into their communities under conditional release or community probation. Funding for this program is through DJJ and the City of Jacksonville, Florida.

Twin Oaks Community Services (TOCS) Adoption, Visitation, Case Management, and Wraparound: Provides a full array of services to children who are at risk of being removed or have been removed from their homes as a result of abuse, neglect or abandonment, including case management, wraparound, adoption, and visitation services. Funding for this program is through various CBC providers in Florida.

Twin Oaks Forensic Outpatient Services (TOFOS): Provides competency restoration services to juveniles who have been charged with a felony prior to their 18th birthday and do not have the ability to participate in legal proceedings due to their mental illness, intellectual disability, or autism. Funding for this program is through DCF.

Waypoint Academy: Provides all educational services for youth residing in the Organization's facilities in Madison County, Florida. Funding for this program is through the Madison County School Board.

Waypoint North: Serves males in the foster care system in need of a residential placement with a holistic response to histories of sexual dysfunction. Funding for this program is primarily through various CBC providers in Florida.

Twin Oaks Juvenile Development, Inc. Notes to Financial Statements

Note 1: NATURE OF OPERATIONS (Continued)

Waypoint South: Serves refugee unaccompanied alien minors who have been separated from their families. With an emphasis on stopping human trafficking, the minors are housed until family members are located and can be reunited. Funding for this program is primarily through a grant from the U.S. Department of Health and Human Services.

Youth Work Experience Program (YWEP): Through a partnership with the Florida Department of Transportation (DOT), this program provides youth with an opportunity to gain real world work experience in a manner that facilitates prompting, redirection, and feedback from a supervisor in a controlled environment.

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 and changes therein, and disclosure of contingent 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.

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.

Grants and Contracts Receivable

Receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Organization 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 payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectable 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 year ended June 30, 2023.

Twin Oaks Juvenile Development, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 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 carried at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method. Leasehold improvements for leases with third parties are amortized over the shorter of the estimated useful life or remaining term of the lease.

The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. The federal government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

Accrued Leave

The Organization compensates its employees for unused accrued paid time off upon termination of employment. The amount of the change in accrued leave for all employees from one year to the next is reported as an expense during the current year.

Leases

The Organization 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 statement of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization'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.

As most of the leases do not provide an implicit rate, management uses the 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. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization 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 Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization 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.

Twin Oaks Juvenile Development, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (continued)

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

Management has elected to apply the short-term lease exemption to all classes of underlying assets, to leases with a total contract term of 12 months or less (including options to extend that are reasonably certain to be taken), and month-to-month leases with no significant termination penalties.

Net Assets

The Organization 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 Organization, 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 course of its operations.

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.

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

Grants and contracts and education revenue are considered to be contributions. 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. Unrecognized conditional contributions are included in refundable advances in the statement of financial position. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Twin Oaks Juvenile Development, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Functional 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 or estimates of time spent in each functional area. Expenses that benefit more than one program are allocated based on using bases most appropriate to the particular cost being allocated. Expenses that benefit all programs are allocated based on the total of other expenses for each program.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. There was no unrelated business income for the year ended June 30, 2023.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of 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, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Advertising

Advertising costs are charged to operations as incurred. Advertising expense for the year ended June 30, 2023 was \$63,891.

Interest

Interest costs are charged to expense as incurred.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2025. See Note 3 for subsequent refinancing of guaranteed debt of related parties. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Organization 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 Organization 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 Organization did not have any capital leases.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, a lease liability of \$1,396,290 which represents the present value of the remaining operating lease payments, discounted using the related risk-free rates at July 1, 2022, and a right-of-use asset of \$1,396,290.

The standard had an 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.

Accounting Standards Update 2016-13

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses* (Topic 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. The Organization is currently evaluating the impact of the guidance on its financial statements.

Twin Oaks Juvenile Development, Inc.
Notes to Financial Statements

Note 3: GOING CONCERN

The Organization has suffered significant losses from operations and has guaranteed debt of a related party where interest rates are variable that raise substantial doubt about the Organization's ability to continue as a going concern. In February 2025, subsequent to year-end, the related party debt was refinanced and consolidated for a longer term through March 2050. The Organization is still a guarantor of the refinanced debt. Management intends to sell a piece of property to allow the Organization to be released as a guarantor of the debt. Management also intends to sign new grant agreements to provide additional program funding. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management acknowledges that uncertainty remains over the ability of the Organization to meet its current financial obligations as they become due and to refinance or repay the notes as they mature.

Note 4: CORRECTION OF ERROR

The beginning net assets for fiscal year 2023 have been restated to correct an error for Employee Retention Credits that had not been accrued in fiscal year 2021. The effect of the restatement was to increase beginning net assets and increase beginning accounts receivable by \$1,901,972.

Note 5: LIQUIDITY AND AVAILABILITY

The Organization 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 Organization'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>For the year ended June 30,</i>	<i>2023</i>
Total assets at year end	\$ 13,236,542
Less non-financial assets	
Prepaid expenses	(1,177,745)
Property and equipment, net	(1,208,549)
Operating lease right-of-use assets	(1,748,123)
Deposits	(109,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 8,993,125

The Organization is principally supported by grants and contracts. The goal of the Organization is to maintain available financial assets to meet its next 90 days of operating expenses of approximately \$10,250,000. In the event of unanticipated liquidity needs, the Organization can draw on its line of credit.

See Notes 7 and 8 for information on cross-default and loan covenants.

Twin Oaks Juvenile Development, Inc.
Notes to Financial Statements

Note 6: PROPERTY AND EQUIPMENT

Property and equipment, net, consists of the following:

<i>June 30,</i>	Estimated useful lives (in years)	2023
Leasehold improvements	10 - 39	\$ 963,093
Furniture and equipment	5 - 7	393,504
Land	not depreciated	133,777
Total property and equipment		1,490,374
Less accumulated depreciation and amortization		(281,825)
Property and equipment, net		\$ 1,208,549

Depreciation and amortization expense was \$90,538 for the year ended June 30, 2023.

Note 7: LINE OF CREDIT

The Organization maintains a line of credit agreement with a financial institution. Available borrowings under the agreement are \$500,275, with an interest rate of 8.25% (or 14.00% if the Organization is in default), secured by personal guaranty of the officers of the Organization. The outstanding balance was \$443,786 at June 30, 2023. The agreement expires in January 2024 and renews annually. The line of credit was subsequently renewed for an additional annual term through January 2025.

A default is considered to occur under this agreement if the Organization defaults under any other agreement in favor of any other creditor or person that may materially affect any of the Organization's property or ability to repay this note or perform its obligations under this note or any of the related documents, or if a default occurs under any other mortgage, deed of trust, or security agreement covering any or all of a portion of the collateral under this agreement.

Twin Oaks Juvenile Development, Inc.
Notes to Financial Statements

Note 8: NOTES PAYABLE

Notes payable consist of the following:

<i>June 30,</i>	<u>2023</u>
7.41% installment note payable to financing company, \$2,760 principal and interest paid monthly, through January 2024. The loan is collateralized by certain equipment.	\$ 13,735
6.950% note payable to premium finance company, \$116,065.41 principal and interest paid monthly through April 2024. See additional information in the Insurance Finance Agreement section below.	1,126,804
5.5% note payable to financial institution, \$5,132 principal and interest paid monthly, through July 2024. The loan is collateralized by life insurance of key personnel and certain vehicles, and guaranteed by two officers of the organization.	62,770
6.42% installment note payable to financing company, \$1,466 principal and interest paid monthly through April 2025. The loan is collateralized by certain equipment.	29,067
6.42% installment note payable to financing company, \$2,905 principal and interest paid monthly, through April 2025. The loan is collateralized by certain equipment.	57,600
6.42% installment note payable to financing company, \$3,651 principal and interest paid monthly through April 2025. The loan is collateralized by certain equipment.	72,388
Total notes payable	1,362,364
Less current portion	(1,287,376)
Notes payable, less current portion	\$ 74,988

Interest expense was \$74,404 for the year ended June 30, 2023, which is included in office expenses in the statement of functional expenses.

Net book value of equipment that collateralizes notes payable totaled \$133,189 at June 30, 2023.

Principal maturities for each remaining year of the notes follow:

<i>For the years ending June 30,</i>	
2024	\$ 1,287,376
2025	74,988
Total future minimum principal payments	\$ 1,362,364

Note 8: NOTES PAYABLE (Continued)

Insurance Finance Agreement

The Organization has obtained a short-term note payable with a premium finance company to finance certain annual insurance policy premiums. The policies are for an annual period starting June 1, 2023 at a total cost of \$1,240,960 and total finance charge of \$39,250. The terms of the agreement include a \$116,605 down payment with the remaining balance to be paid over 10 months starting in July 2023. The agreement is collateralized by an assignment in all right, title and interest to the insurance policies, including all money that is or may be due to the Organization because of a loss that reduces the unearned premiums, any unearned premiums, dividends, and interest arising under a state guarantee fund. The offsetting prepaid insurance balance at June 30, 2023 is included in prepaid expenses in the statement of financial position. Interest expense related to this note payable is included in insurance expense in the statement of activities.

Cross-Default

Under the terms of the 5.5% note payable, a default is considered to occur if the Organization defaults under any other agreement in favor of any other creditor or person that may materially affect any of the Organization's property or ability to repay this note or perform its obligations under this note or any of the related documents.

Under the terms of the 6.42% installment notes payable, a default is considered to occur if the Organization defaults under any other agreement with the same lender.

Covenants

Under the terms of the 5.5% note payable, the Organization must furnish the lender with a statement of financial position and statement of activities at the end of each fiscal year as soon as they are available, and federal and other governmental tax returns prepared by a tax professional as soon as they are available after the applicable filing date for the tax reporting period ended.

Under the terms of the 6.43% installment notes payable, the Organization must furnish the lender with quarterly financial statements within 45 days after the end of each quarter, and audited financial statements within 90 days after the end of each fiscal year.

The Organization was not in compliance with these reporting requirements as the financial institutions did not request the reports, and waivers were not obtained. However, all of these notes were paid off subsequent to year-end and were not defaulted on or called early, so reclassification of the noncurrent portion to current in the statement of financial position is not necessary.

Twin Oaks Juvenile Development, Inc.
Notes to Financial Statements

Note 9: OPERATING LEASES

The Organization has operating leases for office space, camera equipment, and office equipment. These leases have remaining lease terms of 1 to 14 years.

The Organization also has operating leases for real property and facilities, office space, and vehicles which are considered short-term.

Lease expenses, which are included in occupancy, equipment, and rent in the statement of functional expenses, are as follows:

<i>For the year ended June 30,</i>	<u>2023</u>
Operating lease cost	\$ 538,257
Short-term lease cost	\$ 3,987,772

Other information related to leases was as follows:

<i>For the year ended June 30,</i>	<u>2023</u>
Right-of-use assets obtained in exchange for lease obligations	
Operating leases	\$ 832,477
Weighted average remaining lease term	
Operating leases	3.96 years
Weighted average discount rate	
Operating leases	3.45%

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

<i>For the years ending June 30,</i>	<u>Operating Leases</u>
2024	\$ 549,075
2025	532,034
2026	417,834
2027	257,782
2028	88,792
Thereafter	58,135
Total future minimum lease payments	1,903,652
Less imputed interest	(131,060)
Present value of lease liabilities	\$ 1,772,592

Twin Oaks Juvenile Development, Inc.
Notes to Financial Statements

Note 9: OPERATING LEASES (Continued)

Balances are presented in the statement of financial position as follows:

<i>June 30,</i>	<i>2023</i>
Current portion of operating lease liabilities	\$ 552,848
Operating lease liabilities, less current portion	1,219,744
Total	\$ 1,772,592

See Note 14 for information on these operating leases with related parties.

Note 10: REFUNDABLE ADVANCES

Refundable advances include unspent grant funds received for the following programs:

<i>For the year ended June 30,</i>	<i>2023</i>
Waypoint South	\$ 1,891,930
TOCS	160,963
B&G Club	159,018
Refundable advances	\$ 2,211,911

Note 11: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

The Organization receives donated management services from LWCC. All donated services were utilized by the Organization's programs and supporting services. These donated services are included in management fees in-kind and allocated to programs in the administrative cost allocation in the statement of functional expenses. There were no donor-imposed restrictions associated with the contributed services.

Donated management services are valued at 10% of the Organization's gross expenses, less the portion of management fees paid to LWCC.

Note 12: 401(K) PROFIT SHARING RETIREMENT PLAN

The Organization sponsors a single-employer retirement plan (the Plan). The Plan is a defined contribution prototype plan and trust covering substantially all employees of the Organization. Participants who have attained the age of 21 and have completed at least six months of service are eligible for salary deferral contributions. The Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Twin Oaks Juvenile Development, Inc.
Notes to Financial Statements

Note 12: 401(K) PROFIT SHARING RETIREMENT PLAN (Continued)

Each year, participants may contribute up to 100% of pretax and post-tax annual compensation including bonuses, as defined by the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants who have attained the age of 50 before the end of the Plan year are eligible to make catch-up contributions. The Organization may contribute matching contributions to the Plan. The Organization elected to make matching contributions of the participant's elective deferral contributions to the Plan during the year ended June 30, 2023. The matching contribution equals 25% on the first 6% of the Participant's compensation. Participants direct the investment of their contributions and the Organization's contribution into various investment options offered by the Plan. Contributions are subject to certain limitations.

Participants are vested immediately in their contributions plus actual earnings thereon. Participants are vested in the Organization's matching portion of their accounts based on years of service. A participant is fully vested after two years of credited service. Participants become immediately 100% vested in the Organization's contribution portion of their accounts upon death or disability.

The Organization's retirement expense for the year ended June 30, 2023 was \$59,491.

Note 13: CONCENTRATIONS

The Organization maintains cash deposits with several financial institutions. The Organization has no policy requiring collateral or other security to support its deposits, although all demand deposits with the financial institutions are Federally insured up to FDIC limits. Cash deposits exceeding FDIC limits by \$3,003,228 as of June 30, 2023.

The Organization receives a substantial amount of its funding through the Florida Department of Children and Families, Florida Department of Juvenile Justice, and Big Bend Community Based Care, Inc., d/b/a NWF Health Network, and a significant portion of the grants and contracts receivable balance at June 30, 2023 is due from these entities. A significant reduction in the level of this funding, if it were to occur, could have an adverse effect on the Organization's programs and activities.

Note 14: RELATED PARTY TRANSACTIONS

Due to/from related parties

The balances due to/from related parties consist of the following:

<i>June 30, 2023</i>	LWCC	JO	TO-M	TOFI	CSP	Officers and Employees	Total
Due from related parties	\$ -	\$ -	\$ -	\$ 778,426	\$ 1,327,825	\$ 12,858	\$ 2,119,109
Due to related parties	\$ 302,739	\$ 399,000	\$ 268,400	\$ -	\$ -	\$ 41,669	\$ 1,011,808

Twin Oaks Juvenile Development, Inc.
Notes to Financial Statements

Note 14: RELATED PARTY TRANSACTIONS (Continued)

Operating Leases

The Organization annually leases certain vehicles from LWCC, and leases real property and facilities from LWCC, JO, and TO-M which had been sold to these entities by the Organization in a previous year. These leases are accounted for as operating leases and are considered short-term. Lease expense to related parties is as follows:

<i>For the year ended June 30, 2023</i>	LWCC	JO	TO-M	Total
Short-term lease cost	\$ 1,754,190	\$ 1,320,000	\$ 845,286	\$ 3,919,476

Management Services

The Organization retains the management services of LWCC. Management fees are calculated at 10% of the Organization's gross expenses. Total management fees for the year ended June 30, 2023 were \$3,909,101. The portion of these fees paid to LWCC is \$2,600,000, and the remaining \$1,749,101 is considered donated services. See Note 11 for contributions of non-financial assets.

Guarantees

The Organization has fully and unconditionally guaranteed the debt for the following related parties:

- LWCC for the purchase of real property in a variable rate USDA loan dated December 20, 2017 for \$9,660,000, with an outstanding principal balance of \$8,402,582 at June 30, 2023. The loan is payable in monthly installments of \$69,686 of principal and interest. The term of the guarantee is through January 2038. This loan is partially collateralized by the Organization's accounts receivable which have a net book value of 3,441,377 at June 30, 2023.
- JO for the purchase of real property in a variable rate USDA loan dated December 20, 2017 for \$9,625,000, with an outstanding principal balance of \$8,318,683 at June 30, 2023. The loan is payable in monthly installments of \$69,434 of principal and interest. The term of the guarantee is through January 2038. This loan is partially collateralized by the Organization's accounts receivable which have a net book value of \$3,441,377 at June 30, 2023.
- JO for the purchase of real property in a variable rate USDA loan dated June 18, 2020 for \$4,882,000, with an outstanding principal balance of \$4,541,695 at June 30, 2023. The loan is payable in monthly installments of \$30,894 of principal and interest. The term of the guarantee is through June 2041.
- TO-M for the purchase of real property in a variable rate SBA loan dated January 15, 2020 for \$5,000,000, with an outstanding principal balance of \$4,495,715 at June 30, 2023. The loan is payable in monthly installments of \$37,279 of principal and interest. The term of the guarantee is through December 2039.

Twin Oaks Juvenile Development, Inc.
Notes to Financial Statements

Note 14: RELATED PARTY TRANSACTIONS (Continued)

At any time through each loan's maturity date, should LWCC, JO, or TO-M be delinquent on debt payments or default, the Organization will be obligated to perform under the guarantee by primarily making required payments, including late fees and penalties.

Note 15: CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the Organization. In January 2023, the Organization received a notice from the U.S. Department of Health and Human Services, Administration of Children and Families (ACF) that certain costs claimed under grant 90ZU0362 for the Unaccompanied Alien Children Program were potentially disallowed. In November 2023 a follow-up notice was received from ACF with updated disallowed costs for this grant totaling \$1,247,782. In February 2024 the Organization sent an appeal to ACF through its attorney asserting that \$1,239,358 of the disallowed costs should be considered allowable. As of the date of the audit report, ACF has not yet made a decision on the case.

See Note 14 for guaranteed debt of related parties.



OTHER REPORTS



**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
Twin Oaks Juvenile Development, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Twin Oaks Juvenile Development, Inc. (the Organization, 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 September 30, 2025.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned as items 2023-001 and 2023-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-004 to be a significant deficiency.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-003, 2023-005, 2023-006, and 2023-007.

Twin Oaks Juvenile Development, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

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

CARR, RIGGS & INGRAM, L.L.C.

Tallahassee, FL
September 30, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors
Twin Oaks Juvenile Development, Inc.

Report on Compliance for Each Major Federal Program and Major State Project

Qualified and Unmodified Opinions

We have audited Twin Oaks Juvenile Development, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and identified as applicable in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and major state project for the year ended June 30, 2023. The Organization's major federal programs and major state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Assistance Listing Number 93.676 – Unaccompanied Alien Children Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on ALN 93.676 – Unaccompanied Alien Children Program for the year ended June 30, 2023.

Unmodified Opinion on the Other Major Federal Program and Major State Project

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 its other major federal program and major state project identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

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

We are required to be independent of 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 qualified and unmodified opinions on compliance for each major federal program and major state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Assistance Listing Number 93.676 – Unaccompanied Alien Children Program

As described in the accompanying schedule of findings and questioned costs, the Organization did not comply with requirements regarding Assistance Listing Number 93.676 – Unaccompanied Alien Children Program as described in finding numbers 2023-005 for Activities Allowed or Unallowed and Allowable Costs/Cost Principles, 2023-006 for Cash Management, and 2023-007 for Reporting. Compliance with such requirements is necessary, in our opinion, for the Organization to comply with the requirements applicable to that program.

Additionally, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the Organization with Assistance Listing Number 93.676 – Unaccompanied Alien Children Program as described in finding 2023-007 for Reporting. Consequently, we were unable to determine whether the Organization complied with a portion of those requirements applicable to that program.

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 federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, 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 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 Uniform Guidance and the Rules of the Auditor General, 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.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and the Rules of the Auditor General and which are described in the accompanying schedule of findings and questioned costs as items 2023-008. Our opinion on each major federal program and major state project is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-005, 2023-006, and 2023-007 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-008, 2023-009, 2023-010, 2023-011, 2023-012, and 2023-013 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and 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, L.L.C.

Tallahassee, FL
September 30, 2025



OTHER FINANCIAL INFORMATION



Twin Oaks Juvenile Development, Inc. Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

Federal/State Agency Program/Project Title Pass-Through Entity	Assistance Listing/ CSFA Number	Contract Number	Expenditures	Funds provided to subrecipients	State match funds
FEDERAL AWARDS					
U.S. Department of Health and Human Services					
Unaccompanied Alien Children Program	93.676				
Direct		90ZU0362	\$ 1,718,982	\$ -	-
Passed through Liberty Wilderness Crossroads Camp		90ZU0501	1,802,275	-	-
Total Unaccompanied Alien Children Program			3,521,257	-	-
Foster Care - Title IV-E	93.658				
Passed through Big Bend Community Based Care, Inc., dba NWF Health Network		0299-22, C0900	784,566	-	778,380
Passed through Children's Network of Hillsborough		C0900	7,728	-	4,152
Passed through Childrens Network of Southwest Florida Social Services		C0900, N/A	2,326	-	1,249
Passed through Communities Connected for Kids		PCM776, C0900	22,709	-	12,201
Passed through Community Partnership for Children		PCM776, C0900, N/A	137,028	-	73,622
Passed through Embrace Families, Inc.		PCM776, C0900, N/A	56,106	-	-
Passed through Families First Network, Inc.		N/A	2,960	-	1,590
Passed through Family Support Services of Suncoast		N/A	33,387	-	17,938
Passed through Heartland for Children		C0900, N/A	64,460	-	-
Passed through Kids Central, Inc.		PCM776, C0900, N/A	45,863	-	24,642
Passed through Partnership for Strong Families		PCM776, C0900, N/A	195,068	-	104,807
Passed through Safe Children Coalition, Inc.		N/A	14,367	-	8,381
Total Foster Care - Title IV-E			1,366,568	-	1,026,962
Promoting Safe and Stable Families	93.556				
Passed through Big Bend Community Based Care, Inc., dba NWF Health Network		0299-22	178,119	-	3,240
Passed through Communities Connected for Kids		PCM776	133,575	-	-
Passed through Community Partnership for Children		PCM776, C0900, N/A	11,375	-	-
Passed through Heartland for Children		C0900	4,930	-	-
Total Promoting Safe and Stable Families			327,999	-	3,240
Block Grants for Community Mental Health Services	93.958				
Passed through Florida Department of Children and Families		LH776	-	-	9,499,611
Passed through Big Bend Community Based Care, Inc., dba NWF Health Network		C0801	207,040	-	468,884
Total Block Grants for Community Mental Health Services			207,040	-	9,968,495
Social Services Block Grant	93.667				
Passed through Big Bend Community Based Care, Inc., dba NWF Health Network		0299-22	45,753	-	-
Passed through Partnership for Strong Families		PCM776, C0900, N/A	1,332	-	-
Total Social Services Block Grant			47,085	-	-
Chaffee Foster Care for Successful Transition to Adulthood	93.674				
Passed through Family Support Services of North Florida, Inc.		C0900	500	-	-
Passed through Family Support Services of Suncoast		N/A	500	-	-
Passed through Kids Central, Inc.		PCM776, N/A	6,900	-	-
Passed through Partnership for Strong Families		PCM776, N/A	1,000	-	-
Total Chaffee Foster Care for Successful Transition to Adulthood			8,900	-	-
To be tested pursuant to OCA activity	93.U01				
Passed through Big Bend Community Based Care, Inc., dba NWF Health Network		0299-22	-	-	1,074,593
Passed through Partnership for Strong Families		PCM776, C0900, N/A	-	-	442
Total to be tested pursuant to OCA activity			-	-	1,075,035
CCDF Cluster					
COVID-19: Child Care Development Block Grant	93.575				
Passed through Boys and Girls Club		N/A	591,264	-	-
Temporary Assistance for Needy Families	93.558				
Passed through Big Bend Community Based Care, Inc., dba NWF Health Network		0299-22	623,403	-	35,129
Adoption Assistance - Title IV-E	93.659				
Passed through Big Bend Community Based Care, Inc., dba NWF Health Network		0299-22	231,915	-	231,758
Stephanie Tubbs Jones Child Welfare Services Program	93.645				
Passed through Big Bend Community Based Care, Inc., dba NWF Health Network		0299-22	120,079	-	40,026
Total U.S. Department of Health and Human Services			7,045,510	-	12,380,645

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

Twin Oaks Juvenile Development, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2023
(Continued)

Federal/State Agency Program/Project Title Pass-Through Entity	Assistance Listing/ CSFA Number	Contract Number	Expenditures	Funds provided to subrecipients	State match funds
U.S. Department of Education					
Twenty-First Century Community Learning Centers	84.287C				
Passed through Florida Department of Education		403-2443B-3P001	122,293	-	-
Passed through Florida Department of Education		403-2443B-3P002	113,418	-	-
Passed through Florida Department of Education		403-2443B-3P003	173,446	-	-
Passed through Florida Department of Education		403-2443B-3P004	121,265	-	-
Total U.S. Department of Education			530,422	-	-
U.S. Department of Agriculture					
Child Nutrition Cluster					
National School Lunch Program	10.555				
Passed through Florida Department of Agriculture and Consumer Services		18301	249,675	-	-
Passed through Florida Department of Agriculture and Consumer Services		22020	18,820	-	-
School Breakfast Program	10.553				
Passed through Florida Department of Agriculture and Consumer Services		18301	127,946	-	-
Total Child Nutrition Cluster			396,441	-	-
Child Nutrition Discretionary Grants Limited Availability	10.579				
Passed through Florida Department of Agriculture and Consumer Services		27372	31,038	-	-
Child and Adult Care Food Program	10.558				
Passed through the Florida Department of Health		I-035-11	47,874	-	-
Total U.S. Department of Agriculture			475,353	-	-
U.S. Department of Justice					
Juvenile Mentoring Program	16.726				
Passed through Boys and Girls Club		OJJP 2019-46991	7,500	-	-
Passed through Boys and Girls Club		OJJP 2019-46992	7,500	-	-
Passed through Boys and Girls Club		OJJP 2019-46993	3,500	-	-
Passed through Boys and Girls Club		OJJP 2019-46994	3,500	-	-
Passed through Boys and Girls Club		OJJP 2021-50111	35,450	-	-
Passed through Boys and Girls Club		OJJP 2021-50112	31,698	-	-
Passed through Boys and Girls Club		OJJP 2021-50113	5,097	-	-
Passed through Boys and Girls Club		OJJP 2021-50114	3,805	-	-
Passed through Boys and Girls Club		OJJP 2022-51035	4,071	-	-
Passed through Boys and Girls Club		OJJP 2022-51036	8,373	-	-
Passed through Boys and Girls Club		OJJP 2022-51037	27,823	-	-
Passed through Boys and Girls Club		OJJP 2022-51038	5,601	-	-
Passed through Boys and Girls Club		OJJP 2022-51039	6,633	-	-
Total U.S. Department of Justice			150,551	-	-
Total expenditures of federal awards			\$ 8,201,836	\$ -	\$ 12,380,645

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

Twin Oaks Juvenile Development, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2023
(Continued)

Federal/State Agency Program/Project Title Pass-Through Entity	Assistance Listing/ CSFA Number	Contract Number	Expenditures	Funds provided to subrecipients	State match funds
STATE FINANCIAL ASSISTANCE					
Florida Department of Children and Families					
Out-of-Home Supports	60.074				
Passed through Big Bend Community Based Care, Inc., dba NWF Health Network		C0900	68,970	-	-
Passed through Brevard Family Partnership		PCM776	91,250	-	-
Passed through Children's Network of Hillsborough		C0900	(1,320)	-	-
Passed through Childrens Network of Southwest Florida Social Services		N/A	302,790	-	-
Passed through Communities Connected for Kids		PCM776, C0900	74,878	-	74,602
Passed through Community Partnership for Children		PCM776, C0900, N/A	455,065	-	-
Passed through Embrace Families, Inc.		PCM776, C0900, N/A	186,424	-	-
Passed through Families First Network, Inc.		N/A	220,440	-	-
Passed through Family Support Services of North Florida, Inc.		C0900	217,620	-	-
Passed through Family Support Services of Suncoast		N/A	175,175	-	-
Passed through Heartland for Children		C0900, N/A	160,776	-	-
Passed through Kids Central, Inc.		PCM776, C0900, N/A	282,815	-	-
Passed through Partnership for Strong Families		PCM776, C0900, N/A	373,114	-	16,426
Passed through Safe Children Coalition, Inc.		C0900, N/A	142,257	-	-
Total Out-of-Home Supports			2,750,254	-	91,028
Early Childhood Court Case Management & Prevention	60.225				
Passed through Big Bend Community Based Care, Inc., dba NWF Health Network		0299-22	8,252	-	-
Total Florida Department of Children and Families			2,758,506	-	91,028
Florida Department of Juvenile Justice					
Delinquency Prevention	80.029				
Passed through Florida Alliance of Boys & Girls Clubs		N/A	100,176	-	-
Total Florida Department of Juvenile Justice			100,176	-	-
Florida Department of Education					
Mentoring/Student Assistance Initiative Program	48.068				
Passed through Florida Alliance of Boys & Girls Clubs		N/A	46,682	-	-
Total Florida Department of Education			46,682	-	-
Total expenditures of state financial assistance			\$ 2,905,364	\$ -	\$ 91,028
Total expenditures of federal awards and state financial assistance			\$11,107,200	\$ -	\$ 12,471,673

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

Twin Oaks Juvenile Development, Inc.
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal awards and state financial assistance activity of Twin Oaks Juvenile Development, Inc. (the Organization). The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General* of the State of Florida (Rules of the Auditor General). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Twin Oaks Juvenile Development, Inc.

Note 2: BASIS OF ACCOUNTING

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COSTS

The Organization has elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

Note 4: NONCASH ASSISTANCE

The Organization did not receive any federal or state noncash assistance for the year ended June 30, 2023.

Note 5: FEDERALLY FUNDED INSURANCE

The Organization did not receive federally funded insurance during the fiscal year ended June 30, 2023.

Note 6: FEDERALLY FUNDED LOANS

The Organization has no federally funded loans as of June 30, 2023. No funds were expended in the form of loan or loan guarantees during the fiscal year ended June 30, 2023.

Twin Oaks Juvenile Development, Inc.
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

Note 7: CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the Organization. In January 2023, the Organization received a notice from the U.S. Department of Health and Human Services, Administration of Children and Families (ACF) that certain costs claimed under grant 90ZU0362 for the Unaccompanied Alien Children Program were potentially disallowed. In November 2023 a follow-up notice was received from ACF with updated disallowed costs for this grant totaling \$1,247,782. In February 2024 the Organization sent an appeal to ACF through its attorney asserting that \$1,239,358 of the disallowed costs should be considered allowable. As of the date of the audit report, ACF has not yet made a decision on the case.

**Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

- | | |
|----------------------------------------------------------------------------------|------------|
| 1. Type of auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | Yes |

Federal Awards:

- | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------------|--------|--------------------------|--------|--------------------------------------|--|
| 1. Type of auditor’s report issued | Unmodified/Qualified | | | | | | |
| 2. Internal control over major projects: | | | | | | | |
| a. Material weaknesses identified? | Yes | | | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes | | | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | Yes | | | | | | |
| 4. Identification of major programs: | | | | | | | |
| <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">ALN</td> <td style="text-align: center; border-bottom: 1px solid black;">Federal Program</td> </tr> <tr> <td style="text-align: center;">93.658</td> <td style="text-align: center;">Foster Care - Title IV-E</td> </tr> <tr> <td style="text-align: center;">93.676</td> <td style="text-align: center;">Unaccompanied Alien Children Program</td> </tr> </table> | ALN | Federal Program | 93.658 | Foster Care - Title IV-E | 93.676 | Unaccompanied Alien Children Program | |
| ALN | Federal Program | | | | | | |
| 93.658 | Foster Care - Title IV-E | | | | | | |
| 93.676 | Unaccompanied Alien Children Program | | | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 | | | | | | |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | No | | | | | | |

State Financial Assistance:

- | | |
|----------------------------------------------------------------------------------|------------|
| 1. Type of auditor’s report issued on compliance for major projects | Unmodified |
| 2. Internal control over major projects: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General*? Yes
4. Identification of major projects:
- | | |
|-------------|----------------------|
| CSFA Number | State Project |
| 60.074 | Out-of-Home Supports |
5. Dollar threshold used to distinguish between type A and type B projects: \$750,000

SECTION II – FINANCIAL STATEMENT FINDINGS

2023-001: AUDIT ADJUSTMENTS

Repeat of finding 2022-001

Finding Type: Material Weakness in Internal Controls over Financial Reporting

Criteria: The Codification of Statements on Auditing Standards AU-C 315 states that it is the responsibility of management to establish and maintain internal control on an ongoing basis to ensure financial reporting objectives are achieved. Additionally, the Financial Accounting Standards Board (FASB) requires that not-for-profit entities maintain their accounting records and prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Condition: Adjustments were proposed during the audit in order to present the financial statements in accordance with GAAP which are material in the aggregate.

Cause: The Organization’s books and records were not completely and appropriately reconciled, a detailed review was not performed on the balances and transactions, spending under certain grants was not appropriately tracked, and certain expenses were recorded in the incorrect period.

Effect: Adjustments were proposed to correct and properly state the affected balances.

Recommendation: We recommend that accounting staff and management review the adjustments prepared in the current year’s audit and consider them in future year-end financial closeouts.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

2023-002: PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (SEFASFA)

Finding Type: Material Weakness in Internal Controls over Financial Reporting

Criteria: 2 CFR 220.510(b) of the Uniform Guidance and Rule 69I-5.003 of the Florida Administrative Code require that the SEFASFA present expenditures of federal and state awards accurately and completely.

Condition: The auditor assists management in the preparation of the SEFASFA as part of nonattest services. However, there were difficulties in preparing the SEFASFA for the year ended June 30, 2023.

Cause: Management did not request or receive PAN reports with the expenditure allocations from grantors timely. The PAN report from one grantor could not be obtained. The auditor discovered some federal and state awards that were not originally identified by management and needed to be added to the SEFASFA.

Effect: These issues resulted in a delay in preparation of the SEFASFA and audit procedures, and could have resulted in an incomplete and inaccurate SEFASFA. The allocation for the grantor where the PAN report could not be obtained was estimated.

Recommendation: We recommend that management obtain PAN reports for all grantors timely before the start of the audit, and review all funding sources for potential federal and state awards that should be considered when preparing the SEFASFA.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

2023-003: LATE REPORT FILING

Finding Type: Noncompliance

Criteria: Per 2 CFR 200.512 of the Uniform Guidance, the Organization is required to complete and submit an audit to the Federal Audit Clearinghouse " within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period". Per Chapter 10.657(2), Rules of the Auditor General of the State of Florida, the Organization is required to complete and submit a financial reporting package to the Florida Auditor General “within 45 days after delivery of the financial reporting package to the auditee, but no later than 9 months after the end of the fiscal year of the auditee.”

Condition: The Organization did not complete and submit the audit to the Federal Audit Clearinghouse or the Florida Auditor General within the required time periods.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

2023-003: LATE REPORT FILING (continued)

Cause: The Organization did not implement appropriate controls and processes to ensure that the audit was submitted within the required time periods.

Effect: Federal and state awards could be withheld if the required reports are not submitted timely.

Recommendation: We recommend that the Organization implement controls and processes to ensure all required reports are submitted timely.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

2023-004: MISALLOCATED, UNSUPPORTED, AND UNALLOWABLE EXPENSES

Finding Type: Significant Deficiency in Internal Controls over Financial Reporting

Criteria: Under 2 CFR Part 200 of the Uniform Guidance, costs should be allocated in the accounting system among grants and should be properly supported for reporting on the SEFASFA.

Per the Organization’s policies and procedures, certain costs that benefit all programs should be allocated using allocation percentages that are calculated semi-annually.

Under 2 CFR 200.438 of the Uniform Guidance, “Costs of entertainment, including amusement, diversion, and social activities and any associated costs (such as gifts), are unallowable unless they have a specific and direct programmatic purpose and are included in a federal award.”

The Codification of Statements on Auditing Standards AU-C 315 states that it is the responsibility of management to establish and maintain internal control on an ongoing basis to ensure financial reporting objectives are achieved. Additionally, the Financial Accounting Standards Board (FASB) requires that not-for-profit entities maintain their accounting records and prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Condition: In testing expenses for certain major programs the auditor noted various deficiencies, including that the wrong allocation percentages were used to allocate certain costs, the Organization was unable to provide support or replicate how certain costs were allocated, certain expenses did not have adequate supporting documentation, certain credit card charges did not agree to the expenses recorded, an certain expenses were unallowable to the programs. See further detail in findings 2023-005 and 2023-008.

Cause: See findings 2023-005 and 2023-008.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

2023-004: MISALLOCATED, UNSUPPORTED, AND UNALLOWABLE EXPENSES (continued)

Effect: Incorrectly allocated, unsupported, and unallowable costs were charged to the programs, which could result in the grantor requiring repayment.

Recommendation: We recommend management specifically review the allocations used when reviewing costs that are allocated among programs, ensure all credit card charges are adequately supported and not charge unsupported costs to federal and state awards, and gain a better understanding of allowable and unallowable costs for the programs and ensure unallowable costs are not charged to the programs.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

2023-005: ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES – VARIOUS

Partial repeat of finding 2022-005

Finding Type: Material Weakness in Internal Controls over Compliance, Material Noncompliance

ALN/CSFA and Program Title: 93.676 – Unaccompanied Alien Children Program

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: Liberty Wilderness Crossroads Camp

Contract Number: 90ZU0362 (direct), 90ZU0501

Criteria: Under 2 CFR Part 200 of the Uniform Guidance, costs should be allocated in the accounting system among grants and should be properly supported.

Per the Organization’s policies and procedures, certain costs that benefit all programs should be allocated using allocation percentages that are calculated semi-annually.

Under 2 CFR 200.438 of the Uniform Guidance, “Costs of entertainment, including amusement, diversion, and social activities and any associated costs (such as gifts), are unallowable unless they have a specific and direct programmatic purpose and are included in a federal award.”

Additionally, 2 CFR 200.303(a) of the Uniform Guidance requires non-federal entities to establish and maintain effective internal control over federal awards that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2023-005: ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES – VARIOUS
(continued)

Condition: The auditor tested 60 program expenses and noted the following:

1. For 5 expenses, the wrong allocation percentages were used to allocate costs for the period or the Organization was unable to provide support or replicate how the costs were allocated.
2. For 6 credit card expenses, the Organization did not have adequate supporting documentation.
3. For 4 credit card expenses, the total of the charges identified by the Organization do not agree to the expense recorded.
4. For 2 expenses, the costs are considered to be unallowable entertainment costs.

This was not a statistically valid sample.

Cause:

1. Inadequate management review of allocations used for the costs and/or inadequate support for the allocation of the costs.
2. Management approval of credit card charges that are not supported by receipts or other documentation, or the Organization not maintaining the supporting documentation.
3. Difficulties with the credit card company where the Organization could not reconcile the costs in the statement to those that the employees were coding, and differences were typically coded to travel expenses.
4. Inadequate management review of costs that are allowable vs. unallowable for the program.

Effect: Incorrectly allocated, unsupported, and unallowable costs were charged to the program, which could result in the grantor requiring repayment.

Questioned Costs: Known questioned costs total \$21,240, determined by calculating the difference between the costs allocated to the program and the costs that should have been allocated to the program using the allocation percentages in effect at the time the expenses occurred, and by totaling unsupported and unallowable costs. Likely questioned costs total \$172,742, determined by dividing the known questioned costs by the total of the sample and applying the error rate to the population of expenditures.

Recommendation: We recommend management more specifically review the allocations used when reviewing costs that are allocated among programs, that management ensure all credit card charges are adequately supported and not charge unsupported costs to federal awards, and that management gain a better understanding of allowable and unallowable costs for the program and ensure unallowable costs are not charged to the program.

Views of Responsible Officials and Planned Corrective Actions: See management's response and Corrective Action Plan on page 57.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2023-006: CASH MANAGEMENT – CASH DRAWS

Repeat of finding 2022-003

Finding Type: Material Weakness in Internal Controls over Compliance, Material Noncompliance

ALN/CSFA and Program Title: 93.676 – Unaccompanied Alien Children Program

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: Liberty Wilderness Crossroads Camp

Contract Number: 90ZU0362 (direct), 90ZU0501

Criteria: Under 2 CFR 200.305(b) of the Uniform Guidance, non-federal entities “must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.” Under 2 CFR 200.305(b)(5) of the Uniform Guidance, “To the extent available, the non-federal entity must disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.”

Under 2 CFR 200.302(b)(6) of the Uniform Guidance, the Organization’s financial management system must provide for “written procedures to implement the requirements of 2 CFR 200.305.”

Additionally, 2 CFR 200.303(a) of the Uniform Guidance requires non-federal entities to establish and maintain effective internal control over federal awards that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The Organization drew cash down in excess of the total program disbursements during the year ended June 30, 2023, and requested additional cash draws prior to disbursing available funds for this program. Additionally, the Organization did not have written cash management policies and there was no process established for reviewing the pay requests prepared prior to submission.

Cause: Policies and procedures were not in place to ensure that the time elapsing between the transfer of federal funds to the Organization and the disbursement of such funds for program purposes was minimized. In addition, policies and procedures were not in place to ensure that additional cash draws were not requested prior to disbursing all available funds for program related purposes.

Effect: Program funds were drawn in excess of disbursements. The Organization could be required to return the excess funds to the grantor along with any associated earned interest, until such time as the money is legitimately needed to pay for grant activities.

Questioned Costs: None

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2023-006: CASH MANAGEMENT – CASH DRAWS (continued)

Recommendation: We recommend that written policies and procedures be established to implement the requirements of 2 CFR 200.305, and recommend procedures be established for review of the cash draw requests prior to submission and that the review be documented.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

2023-007: REPORTING – VARIOUS

Finding Type: Material Weakness in Internal Controls over Compliance, Material Noncompliance, Insufficient Evidence

ALN/CSFA and Program Title: 93.676 – Unaccompanied Alien Children Program

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: Liberty Wilderness Crossroads Camp

Contract Number: 90ZU0362 (direct), 90ZU0501

Criteria: The program compliance supplement and grant agreements outline the reports required to be submitted and their due dates.

Additionally, 2 CFR 200.303(a) of the Uniform Guidance requires non-federal entities to establish and maintain effective internal control over federal awards that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The Organization no longer had access to the federal Payment Management System and did not maintain copies of the Federal Financial Reports or Performance Progress Reports. Copies of the Federal Financial Reports were able to be obtained from the grantor for testing; however, copies of the Performance Progress Reports could not be obtained.

The auditor could not obtain sufficient, appropriate audit evidence for the Performance Progress Reports and was unable to form a conclusion on the Organization’s compliance with direct and material requirements for a portion of the reporting requirement.

The auditor tested 2 quarterly and 1 final Federal Financial Report and noted the following:

1. There was no process for reviewing the reports that were prepared prior to submission.
2. The final report was submitted later than the due date.
3. For all tested reports, the reported amounts did not agree with the Organization’s accounting records, the reported amounts did not agree within the reports, and/or the reported numbers were not cumulative as required by the reporting guidance.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

This was not a statistically valid sample.

Cause: Procedures have not been established for reviewing the program reports, and management was unaware that the amounts reported should be cumulative. Additionally, the expenditures reported appear to be based on cash draws rather than actual program expenditures.

Effect: Reports were not submitted timely and were inaccurate.

Questioned Costs: None

Recommendation: We recommend procedures be established for review of the program reports prior to submission to the grantors and that the review be documented, procedures be established to ensure reports are submitted timely, and a reconciliation of reported amounts to the accounting records be performed.

Views of Responsible Officials and Planned Corrective Actions: See management's response and Corrective Action Plan on page 57.

2023-008: ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES – VARIOUS

Finding Type: Significant Deficiency in Internal Controls over Compliance, Noncompliance

ALN/CSFA and Program Title: 93.658 – Foster Care - Title IV-E

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: Big Bend Community Based Care, Inc. dba NWF Health Network; Children's Network of Hillsborough; Children's Network of Southwest Florida Social Services; Communities Connected for Kids; Community Partnership for Children; Embrace Families, Inc.; Families First Network, Inc.; Family Support Services of Suncoast; Heartland for Children; Kids Central, Inc.; Partnership for Strong Families; Safe Children Coalition, Inc.

Contract Number: 0299-22, C0900, PCM776, N/A (Emergency Shelter)

Criteria: Under 2 CFR Part 200 of the Uniform Guidance, costs should be allocated in the accounting system among grants. Per the Organization's policies and procedures, certain costs that benefit all programs should be allocated using allocation percentages that are calculated semi-annually.

Additionally, 2 CFR 200.303(a) of the Uniform Guidance requires non-federal entities to establish and maintain effective internal control over federal awards that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The auditor tested 40 program expenses and noted the following:

1. For 1 expense, the wrong allocation percentages were used to allocate the costs for the period.
2. For 1 credit card expense, the Organization did not have adequate supporting documentation.
3. For 2 expenses, the costs are considered to be unallowable entertainment costs.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2023-008: ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES – VARIOUS (continued)

This was not a statistically valid sample.

Cause:

1. Inadequate management review of allocations used for the costs.
2. Management approval of credit card charges that are not supported by receipts or other documentation, or the Organization not maintaining the supporting documentation.
3. Inadequate management review of costs that are allowable vs. unallowable for the program.

Effect: Incorrectly allocated, unsupported, and unallowable costs were charged to the program, which could result in the grantor requiring repayment.

Questioned Costs: Known questioned costs total \$952, determined by calculating difference between the costs allocated to the program and the costs that should have been allocated to the program using the allocation percentages in effect at the time the expenses occurred, and by totaling unsupported and unallowable costs. Likely questioned costs total \$53,895, determined by dividing the known questioned costs by the total of the sample and applying the error rate to the population of expenditures.

Recommendation: We recommend management more specifically review the allocations used when reviewing costs that are allocated among programs, that management ensure all credit card charges are adequately supported and not charge unsupported costs to federal awards, and that management gain a better understanding of allowable and unallowable costs for the program and ensure unallowable costs are not charged to the program.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

2023-009: ALLOWABLE COSTS/COST PRINCIPLES – PAYROLL ALLOCATIONS

Finding Type: Significant Deficiency in Internal Controls over Compliance, Noncompliance

ALN/CSFA and Program Title: 93.658 – Foster Care - Title IV-E, 93.676, Unaccompanied Alien Children Program, 60.074 – Out-of-Home Supports

Federal/State Agency: U.S. Department of Health and Human Services, Florida Department of Children and Families

Pass-Through Entity: Big Bend Community Based Care, Inc. dba NWF Health Network; Brevard Family Partnership; Children’s Network of Hillsborough; Children’s Network of Southwest Florida Social Services; Communities Connected for Kids; Community Partnership for Children; Embrace Families, Inc.; Families First Network, Inc.; Family Support Services of North Florida, Inc.; Family Support Services of Suncoast; Heartland for Children; Kids Central, Inc.; Partnership for Strong Families; Safe Children Coalition, Inc., Liberty Wilderness Crossroads Camp

Contract Number: 0299-22, C0900, PCM776, N/A (Emergency Shelter), 90ZU0362 (direct), 90ZU0501

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2023-009: ALLOWABLE COSTS/COST PRINCIPLES – PAYROLL ALLOCATIONS (continued)

Criteria: Under 2 CFR 200.430(g) of the Uniform Guidance, "Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed", and "Budget estimates (meaning, estimates determined before the services are performed) alone do not qualify as support for charges to federal awards...". Per the Reference Guide for State Expenditures of the Florida Department of Financial Services, "Timesheets that support the hours worked on the project or activity must be kept."

Additionally, 2 CFR 200.303(a) of the Uniform Guidance requires non-federal entities to establish and maintain effective internal control over federal awards that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award, and Section 215.97(10), Florida Statutes, requires nonstate entities to have internal controls in place to provide reasonable assurance of compliance with the provisions of laws, regulations, and other rules, pertaining to state awards that have a material effect on each major state project.

Condition: Time and pay for certain employees who perform work for multiple programs is allocated among these programs. The allocations are based on program budgets or other budgeted expectations of the employees' activity. The Organization's internal control structure does not address adjusting these allocations to reflect actual time and effort expended.

Cause: These employees do not record their time to each program, and management was unaware of federal and state requirements for the allocations.

Effect: Time and pay being allocated charged to the programs may not accurately reflect their actual time spent on each program.

Questioned Costs: None

Recommendation: We recommend all employees record their time to each program that they work on, or that time studies be completed at least annually by the employees whose time needs to be allocated and those time studies be used to determine how the employees' time and pay should be allocated.

Views of Responsible Officials and Planned Corrective Actions: See management's response and Corrective Action Plan on page 57.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2023-010: ALLOWABLE COSTS/COST PRINCIPLES – INDIRECT COSTS

Finding Type: Significant Deficiency in Internal Controls over Compliance, Noncompliance

ALN/CSFA and Program Title: 93.658 – Foster Care - Title IV-E, 93.676, Unaccompanied Alien Children Program, 60.074 – Out-of-Home Supports

Federal/State Agency: U.S. Department of Health and Human Services, Florida Department of Children and Families

Pass-Through Entity: Big Bend Community Based Care, Inc. dba NWF Health Network; Brevard Family Partnership; Children’s Network of Hillsborough; Children’s Network of Southwest Florida Social Services; Communities Connected for Kids; Community Partnership for Children; Embrace Families, Inc.; Families First Network, Inc.; Family Support Services of North Florida, Inc.; Family Support Services of Suncoast; Heartland for Children; Kids Central, Inc.; Partnership for Strong Families; Safe Children Coalition, Inc., Liberty Wilderness Crossroads Camp

Contract Number: 0299-22, C0900, PCM776, N/A (Emergency Shelter), 90ZU0362 (direct), 90ZU0501

Criteria: The Organization has elected to charge the de minimis rate of 10% of modified total direct costs (MTDC). 2 CFR 200.1 of the Uniform Guidance defines MTDC as “all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award).

MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.”

Additionally, 2 CFR 200.303(a) of the Uniform Guidance requires non-federal entities to establish and maintain effective internal control over federal awards that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award, and Section 215.97(10), Florida Statutes, requires nonstate entities to have internal controls in place to provide reasonable assurance of compliance with the provisions of laws, regulations, and other rules, pertaining to state awards that have a material effect on each major state project.

Condition: The Organization used total program expenses as the MTDC base for calculating the 10% de minimis indirect costs, and did not exclude certain items that are required to be excluded, such as rental costs, equipment, and charges for patient care. Additionally, the Organization's internal controls do not require review of the indirect costs charged to programs.

Cause: Management was unaware of the requirements for calculating the MTDC and procedures have not been established for reviewing the indirect cost allocations.

Effect: More indirect costs may have been charged to the programs than were allowable.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

Questioned Costs: None

Recommendation: We recommend management calculate the MTDC in accordance with Uniform Guidance and apply the indirect cost rate consistently for all programs. We also recommend a procedure be established for review of the indirect cost allocations performed.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

2023-011: CASH MANAGEMENT – INTEREST ON EXCESS FUNDS

Finding Type: Significant Deficiency in Internal Controls over Compliance, Noncompliance

ALN/CSFA and Program Title: 93.676 – Unaccompanied Alien Children Program

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: Liberty Wilderness Crossroads Camp

Contract Number: 90ZU0362 (direct), 90ZU0501

Criteria: Under 2 CFR 200.305(b)(11) of the Uniform Guidance, the Organization “must maintain advance payments of federal funds in interest-bearing accounts” unless certain criteria apply. Under 2 CFR 200.305(b)(12) of the Uniform Guidance, interest earned on federal funds in excess of \$500 per year must be returned annually.

Condition: The Organization has cash draws in excess of the total program disbursements during the year ended June 30, 2023 and in previous years, and did not maintain the funds in an interest-bearing account.

Cause: Management was unaware of the requirement to maintain funds in an interest-bearing account so the funds were maintained in the Organization’s checking account with other funds.

Effect: Interest was not being earned on the excess program funds or remitted to the grantor.

Questioned Costs: None

Recommendation: We recommend the Organization establish policies to maintain federal grant funds in an interest-bearing account so that interest can be earned and remitted if required.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2023-012 PROCUREMENT AND SUSPENSION AND DEBARMENT – SMALL, FORMAL, AND NONCOMPETITIVE PROCUREMENTS

Finding Type: Significant Deficiency in Internal Controls over Compliance, Noncompliance

ALN/CSFA and Program Title: 93.676 – Unaccompanied Alien Children Program

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: Liberty Wilderness Crossroads Camp

Contract Number: 90ZU0362 (direct), 90ZU0501

Criteria: 2 CFR 200 Subpart D of the Uniform Guidance outlines standards for procurement transactions made with federal funds. Additionally, 2 CFR 200.303(a) of the Uniform Guidance requires non-federal entities to establish and maintain effective internal control over federal awards that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Additionally, 2 CFR 200.303(a) of the Uniform Guidance requires non-federal entities to establish and maintain effective internal control over federal awards that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The auditor tested 4 small, formal, and noncompetitive procurements and noted the following:

1. For 3 procurements that were also covered transactions, all necessary documentation of the procurement process was not maintained, the procurement method used was incorrect or there was no documented justification for the procurement to be noncompetitive, and there was no evidence the Organization verified that vendor was not suspended or debarred.
2. For 2 procurements, the contracts did not contain all necessary federal provisions.

This was not a statistically valid sample.

Cause: The Organization’s policies and procedures for purchasing are not adequate.

Effect: Procurements were potentially not made in compliance with Uniform Guidance.

Questioned Costs: None

Recommendation: We recommend the Organization update its policies and procedures for purchasing and suspension and debarment to align with Uniform Guidance or other requirements, whichever are more restrictive, and maintain all necessary documentation of the procurement process for purchases.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2023-013: REPORTING – VARIOUS

Finding Type: Significant Deficiency in Internal Controls over Compliance, Noncompliance

ALN/CSFA and Program Title: 93.658 – Foster Care - Title IV-E, 60.074 – Out-of-Home Supports

Federal/State Agency: U.S. Department of Health and Human Services, Florida Department of Children and Families

Pass-Through Entity: Big Bend Community Based Care, Inc. dba NWF Health Network; Brevard Family Partnership; Children’s Network of Hillsborough; Children’s Network of Southwest Florida Social Services; Communities Connected for Kids; Community Partnership for Children; Embrace Families, Inc.; Families First Network, Inc.; Family Support Services of North Florida, Inc.; Family Support Services of Suncoast; Heartland for Children; Kids Central, Inc.; Partnership for Strong Families; Safe Children Coalition, Inc.

Contract Number: 0299-22, C0900, PCM776, N/A (Emergency Shelter)

Criteria: The grant agreements outline the reports required to be submitted and their due dates.

Additionally, 2 CFR 200.303(a) of the Uniform Guidance requires non-federal entities to establish and maintain effective internal control over federal awards that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award, and Section 215.97(10), Florida Statutes, requires nonstate entities to have internal controls in place to provide reasonable assurance of compliance with the provisions of laws, regulations, and other rules, pertaining to state awards that have a material effect on each major state project.

Condition: Certain grants and program reports for these programs overlap. The auditor tested a total of 15 sets of program reports, or 26 individual reports, between these programs and noted the following:

3. For 13 individual reports, the reports were submitted later than the due date.
4. For 10 individual reports, there was either no process for reviewing the reports that were prepared prior to submission or there was a review process but no documented evidence that the review occurred.
5. For 9 individual reports, the Organization could not provide a copy of the reports and/or could not provide evidence that they had been submitted to the grantor.
6. For 3 individual reports, the reported amounts did not agree with the Organization’s accounting records.

This was not a statistically valid sample.

Cause: Management has not established procedures for reviewing certain program reports and/or the reviews failed to catch reporting errors and ensure reports were submitted timely.

Effect: Certain reports were not submitted timely or may not have been submitted to the grantor, and certain reports were inaccurate.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs-
Federal Awards
Year Ended June 30, 2023
(Continued)

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2023-013: REPORTING – VARIOUS (continued)

Questioned Costs: None

Recommendation: We recommend procedures be established for review of all program reports prior to submission to the grantors and that the review be documented, procedures be established to ensure reports are submitted timely, and reconciliations of reported amounts to the accounting records be performed.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

FINANCIAL STATEMENT FINDINGS

2022-001: MATERIAL ADJUSTMENTS AND PREPARATION OF FINANCIAL STATEMENTS

Finding Type: Material Weakness in Internal Controls over Financial Reporting

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

Condition: Adjustments were required to be made to the accounting records to be in accordance with GAAP. Since these adjustments resulted in a material misstatement of the financial statements, this deficiency is deemed to be a material weakness.

Cause: Audit procedures resulted in auditors proposing material adjustments.

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

Recommendation: We recommend that the process for identifying accounting transactions be reviewed and updated.

Status: Finding is not resolved. See repeat finding in the current year as item 2023-001.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs-
Federal Awards
Year Ended June 30, 2023
(Continued)

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS (Continued)

FINANCIAL STATEMENT FINDINGS (Continued)

2022-002: COST ALLOCATION PLAN

Finding Type: Material Weakness in Internal Controls over Financial Reporting

Criteria: Costs should be allocated in the accounting system among grants according to 2 CFR, Part 200.

Condition: Costs were not allocated in the accounting system to grant programs during the fiscal year.

Cause: Lack of written cost allocation plan.

Effect: Expenses could be improperly reimbursed by the grant program and the grantor could require repayment.

Recommendation: We recommend that the Organization prepare and implement a written cost allocation plan.

Status: Finding is considered partially resolved. The Organization has implemented written cost allocation policies and costs are allocated to grant programs in the accounting system and/or reports during fiscal year 2023. However, the specific allocation methodology the Organization uses is not documented and the allocations should be based on reasonable drivers. Additionally, the cost allocation policies reference superseded federal guidance.

Views of Responsible Officials and Planned Corrective Actions: See management's response and Corrective Action Plan on page 57.

FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

2022-003: CASH MANAGEMENT

Finding Type: Material Weakness in Internal Controls over Compliance, Noncompliance

ALN and Program Title: 93.676 – Unaccompanied Alien Children Program

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: None

Contract Number: 90ZU0362-01-00

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs-
Federal Awards
Year Ended June 30, 2023
(Continued)

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS (Continued)

FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2022-003: CASH MANAGEMENT (continued)

Criteria: Non-federal entities must minimize the time elapsing between the transfer of funds from the US Treasury or pass-through entity and disbursement by the non-federal entity for direct program or project costs and the proportionate share of allowable indirect costs, whether the payment is made by electronic funds transfer, or issuance of checks, warrants, or payments by other means (2 CFR section 200.305(b)). In addition, to the extent available, the non-federal entity must disburse funds available from program income before requesting additional federal cash draws (2 CFR section 200.305(b)(5)).

Condition: As a result of our audit procedures, we noted that the Organization has cash draws in excess of the total program disbursements during the year ended June 30, 2022. In addition, we noted that the Organization requested additional cash draws prior to disbursing available funds for this program.

Cause: Policies and procedures were not in place to ensure that the time elapsing between the transfer of federal funds to the Organization and the disbursement of such funds for program purposes was minimized. In addition, policies and procedures were not in place to ensure that additional cash draws were not requested prior to disbursing all available funds for program related purposes.

Effect: The Organization could be required to return the excess funds to the grantor along with any associated earned interest, until such time as the money is legitimately needed to pay for grant activities.

Questioned Costs: None

Recommendation: We recommend that written policies and procedures be established to implement the requirements of 2 CFR section 200.305 to prevent further cash draws from being requested prior to disbursement of all available program funds and to prevent draws in excess of what is needed to meet the immediate needs of the program.

Status: Finding is not resolved. See repeat finding in the current year as item 2023-006.

Views of Responsible Officials and Planned Corrective Actions: See management's response and Corrective Action Plan on page 57.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs-
Federal Awards
Year Ended June 30, 2023
(Continued)

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS (Continued)

FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2022-004: ALLOWABLE COSTS / COST PRINCIPLES – COST ALLOCATION PLAN

Finding Type: Material Weakness in Internal Controls over Compliance, Noncompliance

ALN and Program Title: 93.676 – Unaccompanied Alien Children Program, 93.658 – Foster Care - Title IV-E

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: Big Bend Community Based Care, Inc. dba NWF Health Network; Community Partnership for Children; Families First Network, Inc.; Family Support Services of North Florida, Inc.; Heartland for Children; Partnership for Strong Families; Safe Children Coalition, Inc.; St. John’s County Board of County Commissioners

Contract Number: 90ZU0362-01-00, CM0299, VIS0299, and PCM 747

Criteria: Costs should be allocated in the accounting system among grants according to 2 CFR, Part 200.

Condition: Costs were not allocated in the accounting system to grant programs during the fiscal year.

Cause: Lack of written cost allocation plan.

Effect: Expenses could be improperly reimbursed by the grant program and the grantor could require repayment.

Questioned Costs: None

Recommendation: We recommend that the Organization prepare and implement a written cost allocation plan.

Status: Finding is considered partially resolved. The Organization has implemented written cost allocation policies and costs were allocated to grant programs in the accounting system and/or reports during fiscal year 2023. However, the specific allocation methodology the Organization uses is not documented and the allocations should be based on reasonable drivers. Additionally, the cost allocation policies reference superseded federal guidance.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

Twin Oaks Juvenile Development, Inc.
Schedule of Findings and Questioned Costs-
Federal Awards
Year Ended June 30, 2023
(Continued)

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS (Continued)

FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

2022-005: ALLOWABLE COSTS / COST PRINCIPLES

Finding Type: Material Weakness in Internal Controls over Compliance, Noncompliance

ALN and Program Title: 93.676 – Unaccompanied Alien Children Program

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Entity: None

Contract Number: 90ZU0362-01-00

Criteria: All disbursements should be supported by source documentation.

Condition: In our test of forty disbursements, we noted 3 disbursements which lacked adequate supporting documentation.

Cause: Employees were reimbursed for expenses without submitting invoices or receipts to substantiate the expense.

Effect: Employees could have been reimbursed for activities unallowed which could lead to grantors requiring repayment.

Questioned Costs: None

Recommendation: We recommend policies be implemented to require source documentation for employee reimbursements that are paid for with grant funding.

Status: Finding is not resolved. See repeat finding in the current year included in item 2023-005.

Views of Responsible Officials and Planned Corrective Actions: See management’s response and Corrective Action Plan on page 57.

SECTION V – OTHER MATTERS

None noted

Twin Oaks Juvenile Development, Inc. Corrective Action Plan



CORRECTIVE ACTION PLAN

2023-001: Twin Oaks acknowledges that significant adjustments were necessary for the financial statements to be in accordance with GAAP, including Auditor errors from a previous year's audit. Benjie Read CFO, Felecia Read Staff Accountant, and financial staff will work diligently to ensure that all applicable entries are made in subsequent years after this audit is final. We will also educate all financial staff on proper GAAP accounting principles. This will be completed within 90 days of audit completion.

2023-002: Felecia Read, Staff Accountant, will review the PAN submissions from grantor agencies and will make sure all are received in a timely manner. Felecia Read will educate all financial staff on the importance of PAN notices to the reporting and audit process. This will be completed within 90 days of audit completion.

2023-003: We believe that this finding was a direct result of the prior contracted auditor not completing the audit that it was paid to deliver. Twin Oaks is committed to engaging an auditor and getting these audits completed in a proper time frame. Due to this late audit, we will not be able to be timely for the 2023-2024 audit but will engage and start within 30 days upon completion of this audit.

2023-004: For every program that Twin Oaks operates, there is an approved budget by the grantor agency that includes incentives for modifications and awards for youth behavior. Twin Oaks will strictly go by these approved budgets and better document the purpose. In addition, Benjie Read CFO and Felecia Read Staff Accountant, will educate financial staff on using proper allocation schedules and proper supporting documentation. Expense allocation schedules will be updated periodically whenever program additions or deletions occur with a minimum of twice per year. Twin Oaks has already replaced expense reporting software that was inadequately providing backup documentation with a new system which has greatly improved our accuracy and documentation. Also, our systems have greatly improved since we started with quarterly reporting to our CBCs, especially NWF Health Network, who have greatly assisted in our correct allocation of expenses. This education process will be completed within 90 days of completion of audit.

2023-005: See 2023-004

2023-006: Benjie Read CFO and Felecia Read Staff Accountant, will update written policies and procedures to implement the requirements of 2 CFR 200.305 to include a review and documentation of the cash draw requests prior to submission. This will be completed within 90 days of audit completion. In addition, we no longer operate the only Federal program where cash draws were allowed.

2023-007: Benjie Read CFO and Felecia Read Staff Accountant, will update procedures for documented review of the program reports prior to submission to the grantors. Also see 2023-013 for timely submission. These updates will be completed within 90 days of audit submission.



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Twin Oaks Juvenile Development, Inc. Corrective Action Plan

2023-008: See 2023-004

2023-009: Twin Oaks has updated their payroll provider to Paylocity as of 4/1/2024. This change has given us better oversight and documentation of hours worked at all our programs. Benjie Read CFO and Felecia Read Staff Accountant, will educate the payroll staff on federal and state requirements for payroll allocations within 90 days of audit completion.

2023-010: Benjie Read CFO and Felecia Read Staff Accountant, will develop a policy and establish procedures for calculating the MTDC in accordance with Uniform Guidance for federal contracts and reviewing the indirect cost allocations. We will also educate ourselves and all financial staff on these requirements. These efforts will be completed within 90 days of audit completion.

2023-011: Benjie Read CFO and Felecia Read Staff Accountant, will develop a policy and establish procedures to maintain federal grant funds in an interest-bearing account. This will be done within 90 days of audit completion.

2023-012: Benjie Read CFO and Felecia Read Staff Accountant, will update the policies and procedures for purchasing, documentation, and suspension and debarment to align with Uniform Guidance or other requirements. This will be done within 90 days of audit completion.

2023-013: Benjie Read CFO and Felecia Read Staff Accountant, will update the policies and procedures for all program reports and the review of each before submission. We will also negotiate with the grantors for appropriate time frames as some of these time frames are impossible for us to meet in an accurate manner. These policies will be done within 90 days of audit completion.

Prior Year Findings:

2022-001 Twin Oaks acknowledges that significant adjustments were necessary for the financial statements to be in accordance with GAAP. Benjie Read CFO, Felecia Read Staff Accountant, and financial staff will work diligently to ensure that all applicable entries are made in subsequent years after this audit is final. We will also educate all financial staff on proper GAAP accounting principles. This will be completed within 90 days of audit completion.

2022-002 Twin Oaks has been in the process of reviewing an adequate written cost allocation plan to replace our current plan. We believe we are close to choosing the plan we will implement. Benjie Read CFO and Felecia Read Staff Accountant will implement this written cost allocation plan and educate the financial staff on its procedures within 90 days of audit completion.

2022-003 See 2023-006

2022-004 See 2022-002

2022-005 See 2023-004

**Twin Oaks Juvenile Development, Inc.
Corrective Action Plan**



Benjie Read, CFO



INTERNAL CONTROL RECOMMENDATIONS



The Board of Directors and Management of
Twin Oaks Juvenile Development, Inc.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in the Organization's internal control listed as items 2023-001 and 2023-002 in the schedule of findings and questioned costs to be material weaknesses.

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. We consider the deficiency in the Organization's internal control listed as item 2023-004 in the schedule of findings and questioned costs to be a significant deficiency.

During our audit, we also became aware of certain deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency, which are listed in the accompanying table.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Internal Controls

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Organization, 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, L.L.C.

Tallahassee, FL

September 30, 2025

Internal Control Findings

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
-----------------------------------------	-----------------------------------------	----------------------------------------------	-----------------------------------------

See Section II – Financial Statement Findings in the Schedule of Findings and Questioned Costs for additional material weaknesses, significant deficiencies, and other noncompliance reported.

ITEM	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2023-014	D	Property and Equipment	The Organization uses a third-party vendor to handle significant repairs and improvements at its facilities. The vendor did not provide a detailed breakout between improvements, equipment, and repairs and maintenance which resulted in these amounts being estimated for allocation and classification between property and equipment and repairs and maintenance expenses in the financial statements.	We recommend the Organization have the vendor provide more detailed invoices of the work performed, improvements done, and equipment purchased.	Management will consider implementing the control procedure.

Internal Control Findings

ITEM	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2023-015	D	IT, Payroll	The Organization uses a third-party service organization for payroll processing and timekeeping. Management does not review the service Organization controls (SOC) reports of these service organizations.	We recommend the Organization obtain and review the SOC reports of the payroll service organization to ensure that controls at the service organization are in place and operating effectively, and that the Organization has relevant user controls in place.	Management will consider implementing the control procedure.
2023-016	D	Cash Disbursements	Per the Organization's policies, two signatures are required on all checks. There are two sets of check stock for the operating bank account, for manual vs. electronically generated checks. The stock for manual checks only has one signature line and signatures are not always obtained from two people as required.	We recommend all checks be signed by two people in accordance with the Organization's policies.	Management will consider implementing the control procedure.

Internal Control Findings

ITEM	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2023-017	D	Cash Disbursements	Check stock is kept in the offices of two employees, but the drawers and offices are not locked.	We recommend these employees either lock the drawers or lock their offices when they are not working to prevent unauthorized access to the check stock.	Management will consider implementing the control procedure.
2023-018	D	Expenses	Various control and compliance exceptions were noted in single audit testing of expenses and procurement, including lack of documented approval by the CFO, Assistant CFO or COO of the disbursement or contract; credit card expenses lacking underlying receipts or other adequate supporting documentation; credit card expenses that were unable to be reconciled to the amounts recorded; expenses recorded to programs that are considered to be unallowable; and expenses that were incurred in the prior year but recorded in the current year.	We recommend management more specifically review the allocations used when reviewing costs that are allocated among programs; that management ensure all credit card charges are adequately supported and not charge unsupported costs to federal and state awards; and that management gain a better understanding of allowable and unallowable costs for the programs and ensure unallowable costs are not charged to the programs.	Management will consider implementing the control procedure.

Internal Control Findings

ITEM	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2023-019	D	Expenses, Payroll	The Organization records mileage, stipends, and other reimbursements that are paid through payroll in the salary expense account in the accounting system and reporting.	We recommend non-salary expenses and reimbursements be recorded in the appropriate accounts for more accurate financial reporting.	Management will consider implementing the control procedure.
2023-020	IP	IT, Cash	Two employees use the same login for one bank's website, though there are mitigating review controls in place over transactions.	We recommend a second login be created for each bank user with appropriate access rights.	Management will consider implementing the control procedure.
2023-021	IP	Various	The CFO reviews monthly bank reconciliations. For 1 of 30 bank reconciliations tested there was no signature or other evidence of review by the CFO.	We recommend the CFO consistently document his review of the monthly bank reconciliations to ensure it has been performed.	Management will consider implementing the control procedure.

Internal Control Findings

ITEM	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2023-022	IP	Cash, Revenue	<p>Per the Organization's control procedures, a verification of payment for State of Florida deposits is sent by mail to the Organization which is used when recording the deposits. For some deposits tested, the verification of payment was not maintained but there was other evidence that the deposit was recorded correctly. Additionally, for some deposits of checks and cash the only support maintained was a copy of the deposit slip in the bank statement.</p>	<p>We recommend all verifications and other support for deposits be maintained.</p>	<p>Management will consider implementing the control procedure.</p>
2023-023	IP	General	<p>The Organization's Business Policies and Procedures are reviewed annually by the CEO but this review is informal. However, if the policies are updated they will show a revision date.</p> <p>Additionally, the Organization's practices are not always consistent with its policies in terms of who reviews and approves certain information.</p>	<p>We recommend the CEO's annual review of the Business Policies and Procedures review be documented to ensure it was performed.</p> <p>We also recommend the policies be updated to align with the Organization's actual practices.</p>	<p>Management will consider implementing the control procedure.</p>

Internal Control Findings

ITEM	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2023-024	IP	Expenses	The Organization makes recurring purchases from various vendors that are not under contracts, most of which the Organization has been purchasing from for many years.	We recommend the Organization re-evaluate vendors at least annually and/or reach out to other vendors for quotes to ensure the services are being obtained at cost-effective rates, and that this process be documented.	Management will consider implementing the control procedure.