

REBEL RECOVERY FLORIDA, INC.

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023**

REBEL RECOVERY FLORIDA, INC.
TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-3
 Financial Statements	
Statements of Financial Position.....	4
Statements of Activities.....	5-6
Statements of Functional expenses.....	7-8
Statements of Cash Flows.....	9
Notes to the Financial Statements.....	10-18
 Supplementary Information	
Schedule of Expenditures of Federal Financial Assistance.....	19
Notes to Schedule of Federal State Financial Awards.....	20
 Schedule of Findings and Questioned Costs.....	 21-22
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	23-24
 Independent Auditors' Report on Compliance with Requirements Applicable to each Major program and on Internal Control Over Compliance Required by the Uniform Guidance	 25-27

GARY B. SELLARI, CPA*/PFS, MSM
SCOTT A. STEIN, CPA**
B. CHARLES SELLARI, CPA*, MTAX
TOM KEYS, CPA*, CGMA
ANTHONY J. SELLARI, EA
DUSTAN J. BROWN, CPA****

MARY L. CONTESSA, CPA, DVA, MAFF, PA*
NICHOLAS J. FRONTERA, CPA*
STEVE A. GOINDOO, CPA/PFS, MTAX, CFP®**
CANDACE ANTEZANA KLOTZBIER, CPA*
JAMIE M. RUSSO, CPA*
JANET SCALZITTI, CPA**
APRIL M. SINNOTT, CPA*
ARTHUR J. SINNOTT, CPA**
ANDREW E. WEISNER, CPA*

BARBARA AHEARN-DUNN, EA
JACQUELINE CARTIER, EA
BENJAMIN CROMER, EA



Divine
Blalock
Martin
Sellari
LLC
Est. in 1932

Certified Public Accountants and Consultants

580 Village Boulevard, Suite 110

West Palm Beach, FL 33409

Phone: (561) 686-1110 Fax: (561) 686-1330

info@dbmscpa.com

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

WILBUR F. DIVINE, III, CPA (1896-1964)
WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)

*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL
AND THE STATE OF NY
***REGULATED BY THE STATE OF FL
AND THE STATE OF NJ
****REGULATED BY THE STATE OF NY

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Rebel Recovery Florida, Inc.
West Palm Beach, Florida

Opinion

We have audited the accompanying financial statements of Rebel Recovery, Florida, Inc (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rebel Recovery Florida, Inc. as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*. 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 Rebel Recovery Florida, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rebel Recovery Florida, Inc.'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, including omissions, 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, 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 Inc. 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 Rebel Recovery Florida, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR)*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards ("Uniform Guidance")*; and Section 215.97, Florida Statutes, and is not a required part of the basic 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 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 basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 22, 2025, on our consideration of Rebel Recovery Florida, Inc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Rebel Recovery Florida Inc's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Rebel Recovery Florida Inc's internal control over financial reporting and compliance.

Divine, Blalock, Martin & Sellari, LLC

DIVINE, BLALOCK, MARTIN & SELLARI, LLC
West Palm Beach, Florida

May 23, 2025

REBEL RECOVERY FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash	\$ 92,972	\$ 121,924
Grants and accounts receivable	521,720	619,190
Prepaid and other assets	16,500	4,123
Total current assets	<u>631,192</u>	<u>745,237</u>
Fixed Assets		
Property and equipment, net	<u>35,237</u>	<u>23,450</u>
Other Assets		
Right of use asset, net	109,956	192,432
Deposits	25,495	25,495
Total other assets	<u>135,451</u>	<u>217,927</u>
 Total Assets	 <u><u>\$ 801,880</u></u>	 <u><u>\$ 986,614</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 220,084	\$ 191,073
Deferred revenue	-	83,989
Lease liability - current portion	85,168	82,850
Total current liabilities	<u>305,252</u>	<u>357,912</u>
Lease liability - non-current portion	27,461	107,386
Total liabilities	<u>332,713</u>	<u>465,298</u>
Net Assets		
Net assets without donor restrictions	<u>469,167</u>	<u>521,316</u>
Total net assets	<u>469,167</u>	<u>521,316</u>
 Total Liabilities and Net Assets	 <u><u>\$ 801,880</u></u>	 <u><u>\$ 986,614</u></u>

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

REBEL RECOVERY FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Government grant	\$ 3,181,053	\$ -	\$ 3,181,053
Contributions and grants	367,915	-	367,915
Contribution of nonfinancial assets	10,126	-	10,126
Program services	6,777	-	6,777
Miscellaneous income	1,088	-	1,088
Total revenue	<u>3,566,959</u>	<u>-</u>	<u>3,566,959</u>
Expenses			
Program - Services	3,076,284	-	3,076,284
General and administrative	542,824	-	542,824
Total operating expenses	<u>3,619,108</u>	<u>-</u>	<u>3,619,108</u>
Increase in net assets	(52,149)	-	(52,149)
Net assets at beginning of the year	<u>521,316</u>	<u>-</u>	<u>521,316</u>
Net assets at end of year	<u><u>\$ 469,167</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 469,167</u></u>

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

REBEL RECOVERY FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Government grant	\$ 1,870,189	\$ -	\$ 1,870,189
Contributions and grants	712,656	-	712,656
Contribution of nonfinancial assets	1,801	-	1,801
Program services	153,452	-	153,452
Total revenue	<u>2,738,098</u>	<u>-</u>	<u>2,738,098</u>
Expenses			
Program - Services	2,025,796	-	2,025,796
General and administrative	357,496	-	357,496
Total operating expenses	<u>2,383,292</u>	<u>-</u>	<u>2,383,292</u>
Decrease in net assets	354,806	-	354,806
Net assets at beginning of the year	<u>166,510</u>	<u>-</u>	<u>166,510</u>
Net assets at end of year	<u><u>\$ 521,316</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 521,316</u></u>

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

REBEL RECOVERY FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Patient Services	General and Admin	Total
Advertising	\$ 3,748	\$ 661	\$ 4,409
Bad debt expense	-	-	-
Building occupancy	171,825	30,322	202,147
Dues and subscriptions	11,081	1,956	13,037
Employee benefits	348,716	61,538	410,254
Insurance	16,919	2,986	19,905
Interest expense	3,195	564	3,759
Licenses/fees/permits	16,647	2,938	19,585
Meetings and conferences	7,038	1,242	8,280
Miscellaneous	73,156	12,910	86,066
Office supplies	229,905	40,572	270,477
Payroll and related expenses	1,724,901	304,394	2,029,295
Professional services	144,722	25,539	170,261
Program expenses - housing vouchers	190,982	33,703	224,685
Repairs and maintenance	9,154	1,615	10,769
Telephone	42,212	7,449	49,661
Travel	74,650	13,173	87,823
Total expenses before depreciation	3,068,851	541,562	3,610,413
Depreciation and amortization	7,433	1,262	8,695
Total expenses	\$ 3,076,284	\$ 542,824	\$ 3,619,108

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

REBEL RECOVERY FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Patient Services	General and Admin	Total
Advertising	\$ 4,445	\$ 784	\$ 5,229
Bad debt expense	649	115	764
Building occupancy	82,691	14,593	97,284
Dues and subscriptions	20,546	3,626	24,172
Employee benefits	208,050	36,715	244,765
Insurance	11,127	1,964	13,091
Interest expense	6,865	1,212	8,077
Licenses/fees/permits	3,382	597	3,979
Meetings and conferences	3,720	657	4,377
Miscellaneous	17,531	3,094	20,625
Office supplies	130,898	23,100	153,998
Payroll and related expenses	1,168,100	206,135	1,374,235
Professional services	65,146	11,496	76,642
Program expenses - housing vouchers	208,631	36,817	245,448
Repairs and maintenance	5,341	942	6,283
Telephone	38,719	6,833	45,552
Travel	42,805	7,554	50,359
Total expenses before depreciation	2,018,646	356,234	2,374,880
Depreciation and amortization	7,150	1,262	8,412
Total expenses	\$ 2,025,796	\$ 357,496	\$ 2,383,292

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

REBEL RECOVERY FLORIDA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (Loss) income	\$ (52,149)	\$ 354,806
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,695	8,412
Decrease (increase) in assets:		
Grants and accounts receivables	97,470	(428,758)
Prepaid expenses and other current assets	(12,377)	(749)
Right of use asset	82,476	(192,432)
Deposits	-	(11,391)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	29,011	75,357
Lease liability	(77,607)	190,236
Deferred revenue	(83,989)	83,989
Net cash (Used) provided by operating activities	<u>(8,470)</u>	<u>79,470</u>
CASH FLOWS FROM INVESTING ACTIVITY:		
Acquisition of fixed assets	<u>(20,482)</u>	<u>(1,416)</u>
Net cash used in investing activities	<u>(20,482)</u>	<u>(1,416)</u>
Net (Decrease) increase in cash	(28,952)	78,054
Cash at beginning of year	<u>121,924</u>	<u>43,870</u>
Cash at end of year	<u>\$ 92,972</u>	<u>\$ 121,924</u>

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

REBEL RECOVERY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Rebel Recovery is a not-for-profit organization dedicated to continued whole community health, providing support to people who use substances, helping navigate our community's resources to ensure quality of life. Rebel Recovery believes that in order to heal our community we must address substance use disorder at all levels and assist the people who are in or seeking recovery and their families in each stage of their journey. Through community initiatives utilizing harm reduction practices, Rebel Recovery aims to create a more compassionate and empathetic approach to serving those in our community. By meeting their participants on their level without judgement or preconceived notions of what recovery must look like, the organization aims to create a more unified community where all can feel loved and sheltered.

Certified Recovery Peer Supports are individuals with experience in recovery, certified through the state to provide recovery support services. The recovery support staff works with participants to develop individual recovery plans, focusing on participant defined areas of need. As a peer-led organization, the organization understands that wellness is self-defined, as is the path to reach it. The staff focuses on working with participants to remove barriers from the path to wellness. Each person's path to recovery will present barriers, some different than others, our goal is to build participant resilience and autonomy in overcoming them.

Basis of accounting

The Organization's financial statements are prepared on the accrual basis of accounting and in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities.

Basis of presentation

The financial statements are prepared on the accrual basis of accounting and in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities.

Revenue and support are reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. The expirations of net assets with donor restrictions are reported as reclassifications to net assets without donor restrictions in the period in which the restriction expires. A restriction expires when the stipulated time period has elapsed and/or the stipulated purpose has been fulfilled. Net assets without donor restrictions are available for use by the Organization at the discretion of the Board of Directors. Accordingly, net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions – Net assets either not restricted by donors or the donor-imposed restrictions have expired.

REBEL RECOVERY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation (continued)

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time and net assets subject to donor-imposed stipulations to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the earnings on related investments for general or specific purposes.

The amounts for each class of net assets are required to be displayed in a statement of financial position and the amount of the change in each class of net assets are required to be displayed in a statement of activities.

Cash and cash equivalents

Cash and cash equivalents include checking and money market accounts. The Organization considers short-term investments with a maturity of three months or less when purchased to be cash equivalents.

Fair value of financial instruments

Cash and cash equivalents, receivables, other assets, and accounts payable and accrued expenses are reflected in the financial statements at fair value because of the short-term maturity of these instruments.

Grants and accounts receivable

Grants and accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual receivables and current economic conditions. Grants and accounts receivable are written off when deemed uncollectible. Recoveries of grants and accounts receivable previously written off are recorded when received. An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90-days. As of June 30, 2024, all grants and accounts receivable are deemed collectible.

Allowance for credit losses

The Organization accounts receivables, which are unsecured, are primarily derived from individual and corporate sponsorship, pledges and grants. Receivables past due more than 90 days are considered delinquent. Delinquent receivables are written off when management has determined that the amount will not be collected based on consideration of the credit evaluation and specific circumstances of the donor. At each balance sheet date, the Organization evaluate the likelihood of uncollected accounts and recognizes an expected allowance for credit losses based on the requirement of ASU 2016-13 (see New Accounting Pronouncements). In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded.

REBEL RECOVERY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for credit losses, continued

The estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are also evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible.

The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's accounts receivable have remained constant since the Organization's inception.

The Organization writes off a receivable when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or as offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. The total amount of write-offs was immaterial to the financial statements as a whole for the year ended At June 30, 2024 no allowance for credit losses was established. Management expects the amount to be collected in full.

Property and equipment

Property and equipment are recorded at cost if purchased, or at fair value if donated, and depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 10 years. The Organization follows the policy of capitalizing all expenditures for land, buildings and equipment for its own use in excess of \$500.

Impairment of Long-Lived Assets

The Organization reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. For assets held and used, if the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts, an impairment loss has occurred. The amount of the impairment loss is equal to the asset's carrying value over its estimated fair value. No impairment loss has been recognized by the Organization for the years ended June 30, 2024 and 2023.

Revenue recognition

The Organization recognizes contributions when received or when a donor or grantor makes an unconditional promise to give. Donor pledges are considered an intent to give rather than an unconditional promise to give. Accordingly, pledges are not recognized as support at the time of the pledge. Donations that contain donor stipulations that limit the use of an asset for specific purposes or designates the support for future periods, are reported as an increase in net assets with donor restrictions and net assets without donor restrictions depending upon the nature of the restriction.

REBEL RECOVERY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition, continued

When a donor restriction expires, that is, when a stipulation time restriction ends or a purpose restriction is accomplished; net assets with donor restrictions are reclassified and reported in the statements of activities as net assets released from restrictions. Donor contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Government Grants

Rebel Recovery Florida, Inc primarily receives federal financial assistance through allocations from various programs by the granting agency, Southeast Florida Behavioral Health Network. Grant revenue on cost-reimbursement grants is recognized after the program expenditures have been incurred. As such, Rebel Recovery Florida, Inc recognizes revenue and records a receivable for the reimbursement amount from the granting agency. Such grant programs are subject to independent audit under the Office of Management and Budget's (OMB's) uniform guidance (2 CFR 200), as well as review by grantor agencies. Such review could result in disallowance of expenditures under the terms of the grant or reductions in future grant funds. Based on prior experience, Rebel Recovery Florida, Inc management believes costs ultimately disallowed, if any, would not materially affect the organization's financial statements.

Contribution of Nonfinancial Assets (In-Kind Contributions)

The Organization recognizes contributions of nonfinancial assets within revenue, including goods and services. Unless, otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributed services are valued and are reported at the estimated fair value in financial statements based on current rates for similar services. The contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Volunteer services included licensed medical, dental and ancillary service professionals. Note 8 identifies the contributed goods and services received by the Organization.

Functional classification of expenses

In the accompanying statements of activities, expenses have been reported by their functional classification, a method of grouping expenses according to the purpose for which they were incurred. The primary functional classifications are program services and supporting activities. Program services are the activities that result in services being provided to members that fulfill the purposes or mission for which the Organization exists. Supporting activities are all activities of the Organization's other than program services and are included in the financial statements as management and general expenses and fundraising expenses. Expenses are recorded in the period in which the obligation is incurred. Expenses are charged directly to program services or support activities based on specific identification, when possible. Indirect expenses are allocated among the programs and support categories based on the level of benefit received as measured by personnel time and facility usage associated with the activity or function.

REBEL RECOVERY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The use of estimates includes, but are not limited to, amounts earned in the reporting period under grant contracts, the estimated value of in-kind services, the allocation of expenses among program and support categories, and useful lives of depreciable assets. Actual results could differ from those estimates.

Compensated Absences

Employees of the Organization are entitled to paid vacations, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Income taxes

Rebel Recovery Florida, Inc. is a tax-exempt, not-for-profit corporation under Internal Revenue Code (IRC) Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Internal Revenue Service notified Rebel Recovery Florida, Inc. by letter dated April 12, 1984, that its governing documents and plan of operations were designed in accordance with section 501(c)(3) of the Internal Revenue Code (the Code)

The Financial Accounting Standards Board issued guidance that requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined there are no material uncertain positions that require recognition in the financial statements.

Additionally, no provisions for income taxes are reflected and there is no interest or penalties recognized in the statement of activities or statement of financial position. The Organization's tax years subject to examination by tax authorities generally remain open for three (3) years from the date of filing.

Leases

The Organization calculates its operating lease right-of-use asset and operating lease liability using its incremental borrowing rate and terms under the lease agreements. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. The Organization amortizes the operating lease right-of-use asset over the lease term.

REBEL RECOVERY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets requires not-for-profit entities to present nonfinancial assets as a separate item in the statement of activities from contributions of cash and other financial assets. The ASU also requires disclosures including the use of the contributed nonfinancial assets, the policy of monetizing or utilizing contributed nonfinancial assets, description of donor-imposed restrictions associated with contributed nonfinancial assets, and the valuation techniques and inputs used to measure the contributed nonfinancial assets at fair value. The Organization adopted ASU 2020-07 for the year ended June 30, 2024.

NOTE 2 – GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable are collectible in less than one year and consisted of the following for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Southeast Florida Behavioral Health Network	\$ 258,020	\$ 245,100
National Alliance of State and Territorial AIDS Directors	-	100,000
Substance Abuse and Mental Health Services Administration	139,549	-
LSF Health Systems	82,538	113,738
Palm Beach County - Annex	35,986	35,986
Scaife Foundation	-	75,000
Other	5,627	49,366
	<u>\$ 521,720</u>	<u>\$ 619,190</u>

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment for the years ended June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	\$ 8,722	\$ 5,275
Office and computer equipment	42,927	25,892
Motor Vehicle	12,300	12,300
	<u>63,949</u>	<u>43,467</u>
Accumulated depreciation	<u>(28,712)</u>	<u>(20,017)</u>
	<u>\$ 35,237</u>	<u>\$ 23,450</u>

REBEL RECOVERY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 – NEW ACCOUNTING GUIDANCE IMPLEMENTATION

As of July 1, 2022, the Company changed its accounting method for leases as a result of implementing the requirements in the Financial Accounting Standards Board’s Accounting Standards Codification (ASC) 842, Leases. There was no cumulative effect adjustment to the Company’s balance sheet as of June 30, 2023. Comparative information has not been restated and continues to be reported under the accounting standards in effect for the prior period.

The new lease guidance requires the recognition of right-of-use assets and lease liabilities for operating leases. The Company elected the package of practical expedients which allowed, among other things, for not reassessing the lease classification or initial direct costs for existing leases.

As of July 1, 2022, operating lease right-of-use assets and corresponding lease liabilities of \$274,899 were recognized. Lease costs as of June 30, 2024 and 2023 was \$87,027 and \$84,467. Adoption of the new guidance did not have a significant impact to the statements of income and comprehensive income or cash flows for the years ended June 30, 2023 and 2024.

NOTE 5 – OPERATING LEASE COMMITMENTS

The Organization leases certain facilities located in West Palm Beach, Florida pursuant to a non-cancelable operating lease with monthly payments of approximately \$7,000. The lease contains certain provisions that allow the Organization to terminate the lease subject to certain conditions.

The following table summarizes other information related to the Organization’s leases in the year ending June 30, 2024:

Operating lease cost	\$ 87,027
Weighted-average remaining lease term	1.3 years
Weighted-average discount rate	5.00%

Future annual minimum lease payments under the operating leases for the year ending June 30, as follows:

Year Ending June 30,	Amount
2025	\$ 89,650
2026	30,177
2027	-
Total lease payments	119,827
Less imputed interest	(7,198)
Total lease obligations	112,629
Less current portion	(85,168)
Long-term lease obligations	\$ 27,461

REBEL RECOVERY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5 – OPERATING LEASE COMMITMENTS (CONTINUED)

Rent expense under the above lease for the year ended June 30, 2024 was \$84,664. Effective July 1, 2023, the Organization reports rent expense as lease expense as described in Note 4.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of June 30, 2024:

Right of use assets, net	\$	<u>109,956</u>
Lease liability - current portion	\$	85,168
Lease liability - non-current portion		<u>27,461</u>
 Total operating lease liabilities	 \$	 <u>112,629</u>

The Organization also leases certain facilities located in West Palm Beach, Florida, pursuant to a short-term non-cancelable operating lease with monthly payments of approximately \$8,600. Rent expense incurred on the above-mentioned lease was \$115,120 for the year ending June 30, 2024.

NOTE 6 – CONCENTRATIONS

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization received a substantial amount of its revenue and support from private funding sources. A significant reduction in the level of this support could have a significant effect on the Organization’s services and activities.

NOTE 7 – LIQUIDITY

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general expenditures within one year of the statement of financial position date.

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 92,972	\$ 121,924
Grants and accounts receivable	<u>521,720</u>	<u>503,047</u>
Total Financial assets, at year-end	\$ 614,692	624,971
Less those unavailable for general expenditures within one year	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 614,692</u>	<u>\$ 624,971</u>

REBEL RECOVERY FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 8 – CONTRIBUTION OF NONFINANCIAL ASSETS

For years ending June 30, 2024 and 2023, contributions of nonfinancial assets (in-kind contributions) consisted of goods and services which totaled \$10,126 and \$1,801, respectively. Expenses related to the Organization's contributed goods and services are reported in the statement of activities. Contributions of nonfinancial assets are without donor restrictions and recorded at the estimated fair value of services based on the available pricing information for comparable services and the fair value of donated goods based on the donor's listed sales price for such goods.

NOTE 9 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 23, 2025, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

SUPPLEMENTARY INFORMATION

REBEL RECOVERY FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024

Federal/State Grantor/Pass-Through Grantor/Federal Program/State Project	Assistance Listing/ CFSA Number	Contract Grant Number	Expenditures
U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through from Southeast Florida Behavioral Health Network (SEFBHN)			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	PDA56-15	\$ 513,119
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES			
Passed through from Southeast Florida Behavioral Health Network (SEFBHN)			
Opioid State Targeted Response	60.301	PDA56-15	852,300
ME Opioid TF Coord Opioid Recovery Core	NULL	PDA56-15	296,327
Passed through from Southeast Lutheran Service Florida (LSF)			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	EHO03	<u>679,693</u>
Total expenditures of federal awards and state financial assistance			<u><u>\$ 2,341,439</u></u>

REBEL RECOVERY FLORIDA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 - Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance, (the "Schedule") includes the federal award and state financial assistance activity of Rebel Recovery Florida, Inc. (the "Organization") under programs of the federal and state government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, (Uniform Guidance) and Chapter 10.650, *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 the Organization.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, Chapter 10.650, *Rules of the Auditor General* and/or OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The Organization elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Sub-Recipient Monitoring

Rebel Recovery Florida, Inc. has provided no federal awards to subrecipients

Note 5 - Matching Requirement

All matching requirements for the contracts in effect from July 1, 2023 through June 30, 2024 have been met by Rebel Recovery Florida, Inc.

Note 6 - Contingency

The grants and contracts revenue received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Organization. In the opinion of management, all grant and contract expenditures are in compliance with the terms of the grant/contract agreements and applicable federal and state laws and other applicable regulations.

**REBEL RECOVERY FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None
Significant deficiencies identified that are not considered to be material weaknesses	None
Noncompliance material to financial statements noted?	None

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None
Significant deficiencies identified that are not considered to be material weaknesses	None
Type of auditor’s report issued on compliance of Major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)?	Yes
Identification of major programs:	
CFDA Number	93.959
Block Grants for Prevention and Treatment of Substance Abuse	
Dollar Threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	No

State Financial Assistance

Internal control over major state programs:	
Material weakness(es) identified?	None
Significant deficiencies identified that are not considered to be material weaknesses	None
Type of auditor’s report issued on compliance of major state programs:	Unmodified
Any audit findings disclosed that are required to be reported for state financial assistance programs?	Yes

**REBEL RECOVERY FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION I – SUMMARY OF AUDITORS’ RESULTS, CONTINUED

State Financial Assistance, continued

Identification of major state programs:

CSFA Number 60.301

Opioid State Targeted Response

Dollar Threshold used to distinguish between type A and
type B state programs:

\$ 750,000

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings reported for the year ended June 30, 2024.

**SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE
FINDINGS AND QUESTIONED COSTS**

There are no findings or questioned costs reported for the year ended June 30, 2024.

PRIOR YEAR FINDINGS

The only prior audit finding for the year ended June 30, 2023, relative to federal awards requiring action on the part of the auditee for that fiscal year was The Organization failed to submit the audit to the Federal Audit Clearinghouse.

GARY B. SELLARI, CPA*/PFS, MSM
SCOTT A. STEIN, CPA**
B. CHARLES SELLARI, CPA*, MTAX
TOM KEYS, CPA*, CGMA
ANTHONY J. SELLARI, EA
DUSTAN J. BROWN, CPA****

MARY L. CONTESSA, CPA, DVA, MAFF, PA*
NICHOLAS J. FRONTERA, CPA*
STEVE A. GOINDOO, CPA/PFS, MTAX, CFP®**
CANDACE ANTEZANA KLOTZBIER, CPA*
JAMIE M. RUSSO, CPA*
JANET SCALZITTI, CPA**
APRIL M. SINNOTT, CPA*
ARTHUR J. SINNOTT, CPA**
ANDREW E. WEISNER, CPA*

BARBARA AHEARN-DUNN, EA
JACQUELINE CARTIER, EA
BENJAMIN CROMER, EA



Divine
Blalock
Martin
Sellari
LLC
Est. in 1932

Certified Public Accountants and Consultants
580 Village Boulevard, Suite 110
West Palm Beach, FL 33409
Phone: (561) 686-1110 Fax: (561) 686-1330
info@dbmscpa.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
WILBUR F. DIVINE, III, CPA (1896-1964)
WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)
*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL
AND THE STATE OF NY
****REGULATED BY THE STATE OF FL
AND THE STATE OF NJ
****REGULATED BY THE STATE OF NY

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

To the Board of Directors of
Rebel Recovery Florida, Inc.
West Palm Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Rebel Recovery Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024 and 2023, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon May 23, 2025.

Report on Internal Control over Financial Reporting

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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

Divine, Blalock, Martin & Sellari, LLC

DIVINE, BLALOCK, MARTIN & SELLARI, LLC
West Palm Beach, Florida
May 23, 2025

GARY B. SELLARI, CPA*/PFS, MSM
SCOTT A. STEIN, CPA**
B. CHARLES SELLARI, CPA*, MTAX
TOM KEYS, CPA*, CGMA
ANTHONY J. SELLARI, EA
DUSTAN J. BROWN, CPA****

MARY L. CONTESSA, CPA, DVA, MAFF, PA*
NICHOLAS J. FRONTERA, CPA*
STEVE A. GOINDOO, CPA/PFS, MTAX, CFP®**
CANDACE ANTEZANA KLOTZBIER, CPA*
JAMIE M. RUSSO, CPA*
JANET SCALZITTI, CPA**
APRIL M. SINNOTT, CPA*
ARTHUR J. SINNOTT, CPA**
ANDREW E. WEISNER, CPA*

BARBARA AHEARN-DUNN, EA
JACQUELINE CARTIER, EA
BENJAMIN CROMER, EA



Divine
Blalock
Martin
Sellari
LLC
Est. in 1932

Certified Public Accountants and Consultants
580 Village Boulevard, Suite 110
West Palm Beach, FL 33409
Phone: (561) 686-1110 Fax: (561) 686-1330
info@dbmscpa.com

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

WILBUR F. DIVINE, III, CPA (1896-1964)
WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)

*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL
AND THE STATE OF NY
***REGULATED BY THE STATE OF FL
AND THE STATE OF NJ
****REGULATED BY THE STATE OF NY

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND 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 of
Rebel Recovery Florida, Inc.
West Palm Beach, Florida

Opinion on Compliance for Each Major Federal and State Program

We have audited Rebel Recovery Florida, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of Rebel Recovery Florida, Inc.'s major federal and major state programs for the year ended June 30, 2024. Rebel Recovery Florida, Inc.'s major federal and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rebel Recovery Florida, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States' and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.650, 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 Rebel Recovery Florida, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Rebel Recovery Florida, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Rebel Recovery Florida, Inc.'s federal and state programs.

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 Rebel Recovery Florida, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and Chapter 10.650, 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 Rebel Recovery Florida, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rule 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 Rebel Recovery Florida, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Rebel Recovery Florida, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of Rebel Recovery Florida, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Divine, Blalock, Martin & Sellari, LLC

DIVINE, BLALOCK, MARTIN & SELLARI, LLC
West Palm Beach, Florida
May 23, 2025