

**FAMILY SUPPORT SERVICES OF
NORTH FLORIDA, INC.**

FINANCIAL STATEMENTS

June 30, 2025 and 2024

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S 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 Financial Statements	10 - 21
SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of Federal Awards and State Financial Assistance	22 - 23
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	24 - 25
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 <i>Government Auditing Standards</i>	26 - 27
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 State of Florida Chapter 10.650, Rules of the Auditor General	28 - 30
Schedule of Findings and Questioned Costs - Federal Programs and State Projects	31 - 32
Management Letter	33



INDEPENDENT AUDITOR'S REPORT

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga
Rich J. Cassidy
Justin R. Cabral

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

St. Petersburg, FL 33710
5401 Central Avenue
Phone: 727-327-1999

N. Palm Beach, FL 33408
1201 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

To the Board of Directors of
Family Support Services of North Florida, Inc.
Jacksonville, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Family Support Services of North Florida, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Family Support Services of North Florida, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Support Services of North 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 opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Support Services of North 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Family Support Services of North Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Support Services of North 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 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*, 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 February 10, 2026, on our consideration of Family Support Services of North 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 Family Support Services of North 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 Family Support Services of North Florida, Inc.'s internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 10, 2026

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,721,300	\$ 6,577,530
Accounts receivable	3,043,244	2,430,698
Investments	999,873	912,464
Prepaid expenses	120,460	76,791
TOTAL CURRENT ASSETS	9,884,877	9,997,483
Cash and cash equivalents, restricted	363,107	344,612
Property and equipment, net	364,400	375,654
Deposits	150,000	150,000
Operating lease right-of-use asset	5,006,666	5,460,802
TOTAL NON-CURRENT ASSETS	5,884,173	6,331,068
TOTAL ASSETS	\$ 15,769,050	\$ 16,328,551
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 4,735,825	\$ 4,165,376
Refundable advances	-	1,140,301
Due to clients	363,107	344,612
Operating lease liability	408,881	371,066
TOTAL CURRENT LIABILITIES	5,507,813	6,021,355
Non-current operating lease liability	4,820,054	5,228,935
TOTAL LIABILITIES	10,327,867	11,250,290
NET ASSETS		
Without donor restrictions	5,340,890	4,942,371
With donor restrictions	100,293	135,890
TOTAL NET ASSETS	5,441,183	5,078,261
TOTAL LIABILITIES AND NET ASSETS	\$ 15,769,050	\$ 16,328,551

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

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Public support			
State and federal support	\$ 83,010,549	\$ -	\$ 83,010,549
Local support	1,971,688	88,402	2,060,090
Total public support	84,982,237	88,402	85,070,639
Revenues			
Contributed non-financial assets	624,687	-	624,687
Investment income	113,232	-	113,232
Other income	120,003	-	120,003
Total revenue and support before net assets released from restrictions	85,840,159	88,402	85,928,561
Net assets released from restrictions - satisfaction of purpose restrictions	123,999	(123,999)	-
Total revenue and support	85,964,158	(35,597)	85,928,561
EXPENSES			
Program services			
Child welfare services	83,616,433	-	83,616,433
Total program services	83,616,433	-	83,616,433
Supporting services			
General and administrative	1,949,206	-	1,949,206
Total supporting services	1,949,206	-	1,949,206
Total expenses	85,565,639	-	85,565,639
Change in net assets	398,519	(35,597)	362,922
NET ASSETS, BEGINNING OF YEAR	4,942,371	135,890	5,078,261
NET ASSETS, END OF YEAR	\$ 5,340,890	\$ 100,293	\$ 5,441,183

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

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Public support			
State and federal support	\$ 81,242,545	\$ -	\$ 81,242,545
Local support	1,992,552	97,495	2,090,047
Total public support	83,235,097	97,495	83,332,592
Revenues			
Contributed non-financial assets	612,595	-	612,595
Investment income	99,499	-	99,499
Other income	94,918	-	94,918
Total revenue and support before net assets released from restrictions	84,042,109	97,495	84,139,604
Net assets released from restrictions - satisfaction of purpose restrictions	78,937	(78,937)	-
Total revenue and support	84,121,046	18,558	84,139,604
EXPENSES			
Program services			
Child welfare services	80,653,991	-	80,653,991
Total program services	80,653,991	-	80,653,991
Supporting services			
General and administrative	2,983,388	-	2,983,388
Total supporting services	2,983,388	-	2,983,388
Total expenses	83,637,379	-	83,637,379
Change in net assets	483,667	18,558	502,225
NET ASSETS, BEGINNING OF YEAR	4,458,704	117,332	4,576,036
NET ASSETS, END OF YEAR	\$ 4,942,371	\$ 135,890	\$ 5,078,261

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

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025

	<u>Program Services</u> <u>Child Welfare</u> <u>Services</u>	<u>Supporting Services</u> <u>General and</u> <u>Administrative</u>	<u>Total</u>
Salaries and related expenses			
Salaries	\$ 9,496,393	\$ 1,073,003	\$ 10,569,396
Payroll taxes and benefits	2,837,646	283,700	3,121,346
Temporary staffing	38,735	-	38,735
Total salaries and related expenses	<u>12,372,774</u>	<u>1,356,703</u>	<u>13,729,477</u>
Occupancy			
Rent	537,072	153,719	690,791
Office space services	143,950	8,895	152,845
Telephone and data lines	40,381	1,549	41,930
Repairs and maintenance	11,936	190	12,126
Office equipment	178,724	72,088	250,812
Depreciation	75,968	95,614	171,582
Total occupancy	<u>988,031</u>	<u>332,055</u>	<u>1,320,086</u>
Operating expenses			
Professional services	443,759	55,687	499,446
Contributed non-financial expenses	624,687	-	624,687
Licenses	-	10,530	10,530
Liability insurance	289,661	53,857	343,518
Printing and publications	9,523	16,802	26,325
Postage	687	8,010	8,697
Office supplies	8,599	50,375	58,974
Professional development	40,990	6,326	47,316
Advertising	136,649	-	136,649
Public relations and awareness	105,610	-	105,610
Dues and subscriptions	56,154	30,763	86,917
Staff recruiting	-	7,019	7,019
Staff travel	93,449	14,009	107,458
Staff cell phones	94,347	6,546	100,893
Vehicle expenses	6,064	524	6,588
Total operating expenses	<u>1,910,179</u>	<u>260,448</u>	<u>2,170,627</u>
Contract services			
Miscellaneous contract services	120,935	-	120,935
Recruiting and licensing	8,565	-	8,565
Contract professional services	132,480	-	132,480
Client training services	170,188	-	170,188
Other client services and awards	833,037	-	833,037
Direct client assistance	1,173,203	-	1,173,203
Provider services- direct support (FSFN)	46,640,148	-	46,640,148
Provider services- subrecipients (CMO's)	19,266,893	-	19,266,893
Total contract services	<u>68,345,449</u>	<u>-</u>	<u>68,345,449</u>
TOTAL EXPENSES	<u><u>\$ 83,616,433</u></u>	<u><u>\$ 1,949,206</u></u>	<u><u>\$ 85,565,639</u></u>

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

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	<u>Program Services</u> <u>Child Welfare</u> <u>Services</u>	<u>Supporting Services</u> <u>General and</u> <u>Administrative</u>	<u>Total</u>
Salaries and related expenses			
Salaries	\$ 8,846,111	\$ 1,512,075	\$ 10,358,186
Payroll taxes and benefits	2,501,681	531,155	3,032,836
Temporary staffing	39,848	-	39,848
Total salaries and related expenses	<u>11,387,640</u>	<u>2,043,230</u>	<u>13,430,870</u>
Occupancy			
Rent	597,168	101,084	698,252
Office space services	231,151	169,086	400,237
Telephone and data lines	85,837	17,414	103,251
Repairs and maintenance	15,266	-	15,266
Office equipment	138,354	31,812	170,166
Depreciation	86,840	74,034	160,874
Total occupancy	<u>1,154,616</u>	<u>393,430</u>	<u>1,548,046</u>
Operating expenses			
Professional services	691,683	232,701	924,384
Contributed non-financial expenses	612,595	-	612,595
Licenses	339	13,170	13,509
Liability insurance	308,430	101,772	410,202
Printing and publications	618	2,117	2,735
Postage	954	7,939	8,893
Office supplies	6,530	22,454	28,984
Professional development	89,863	2,721	92,584
Advertising	94,303	-	94,303
Public relations and awareness	94,886	-	94,886
Dues and subscriptions	75,480	117,332	192,812
Staff recruiting	-	6,476	6,476
Staff travel	92,362	21,277	113,639
Staff cell phones	96,239	16,507	112,746
Vehicle expenses	9,350	2,262	11,612
Total operating expenses	<u>2,173,632</u>	<u>546,728</u>	<u>2,720,360</u>
Contract services			
Miscellaneous contract services	128,687	-	128,687
Recruiting and licensing	76,967	-	76,967
Contract professional services	270,847	-	270,847
Client training services	134,381	-	134,381
Other client services and awards	833,907	-	833,907
Direct client assistance	1,119,121	-	1,119,121
Provider services- direct support (FSFN)	44,076,085	-	44,076,085
Provider services- subrecipients (CMO's)	19,298,108	-	19,298,108
Total contract services	<u>65,938,103</u>	<u>-</u>	<u>65,938,103</u>
TOTAL EXPENSES	<u><u>\$ 80,653,991</u></u>	<u><u>\$ 2,983,388</u></u>	<u><u>\$ 83,637,379</u></u>

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

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 362,922	\$ 502,225
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	171,582	160,874
Unrealized and realized gain on investments	(68,526)	(42,424)
Non-cash rent	83,070	113,776
Changes in operating assets and liabilities:		
Accounts receivable	(612,546)	(784,830)
Prepaid expenses	(43,669)	38,879
Accounts payable and accrued expenses	570,449	18,888
Refundable advances	(1,140,301)	(1,560,649)
Due to clients	18,495	55,276
	<u>(658,524)</u>	<u>(1,497,985)</u>
Cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments, net	(18,883)	(34,635)
Disposal of property and equipment	-	1,270
Acquisition of property and equipment	(160,328)	(35,758)
	<u>(179,211)</u>	<u>(69,123)</u>
Cash used in investing activities		
Decrease in cash and cash equivalents	(837,735)	(1,567,108)
Cash and cash equivalents, and restricted cash, beginning of year	<u>6,922,142</u>	<u>8,489,250</u>
Cash and cash equivalents, and restricted cash, end of year	<u>\$ 6,084,407</u>	<u>\$ 6,922,142</u>

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

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – ORGANIZATION AND OPERATIONS

Family Support Services of North Florida, Inc. (FSSNF) is a private not-for-profit corporation incorporated under the laws of the State of Florida on May 15, 2001. FSSNF acts as lead agency in providing protective services for children and their families in the North Florida area.

Family Support Services, Inc. was incorporated on April 21, 2010 exclusively organized for the benefit of, to perform the functions of, or to carry out purposes of Family Support Services of North Florida, Inc. or other substantially similar institutions. The name of this corporation was changed to FSS Foundation, Inc. effective February 18, 2019.

FSS Foundation, Inc. was administratively dissolved effective September 22, 2023. All assets were transferred to Family Support Services of North Florida, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles 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).

2. Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes there in, 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. Estimates that are particularly susceptible to significant change in the near term are related to useful lives of depreciable assets, fair value measurements of investments, accrual of compensated absences, and the allocation of functional expenses.

3. Cash and Cash Equivalents

Cash and cash equivalents includes cash and all highly liquid investments with an original maturity of 90 days or less. Restricted cash is included with cash and cash equivalents for the purpose of the statement of cash flows.

4. Cash and Cash Equivalents, Restricted

The Organization receives client social security benefits from the Social Security Administration and administers the benefits to their clients. As such, these funds are restricted and not available for operations.

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Accounts Receivable

Accounts receivable consist primarily of grant revenues earned but not received and 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 grantors to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management considers all receivables to be fully collectible; therefore no allowance has been made.

6. Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

7. 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 expenses as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

8. 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 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.

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Net Assets (continued)

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.

9. Revenue Recognition

Program service fees are accounted for under ASU 2014-09, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Organization recognized revenue when persuasive evidence of an arrangement existed, delivery of the products had occurred, the sales price was fixed or determinable and collectively was reasonably assured.

A significant portion of the Organization's grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

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 released the restriction. 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.

10. Functional 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 percentage of time spent in each functional area. Rent and utilities are allocated based on square footage and insurance and equipment leases are allocated based on the number of full-time equivalent positions. Depreciation is allocated based on specific department or program that utilizes the equipment. Office equipment, office supplies, general postage and printing, certain professional fees and information technology are allocated based on a fixed percentage.

11. Advertising

The Organization used advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended June 30, 2025 and 2024, advertising costs totaled \$136,649 and \$94,303, respectively.

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

12. Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, Family Support Services of North Florida, Inc. is exempt from tax on income other than unrelated business income. No unrelated business income has been identified.

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, penalties, accounting in interim periods, disclosure and transition. As of June 30, 2025 and 2024, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. The Organization remains subject to examination by the Internal Revenue Service for the years ended June 30, 2023 through June 30, 2025.

13. Leases

The Organization determines if an arrangement is or includes a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under ASU 2016-02, *Leases* (ASC 842), a contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

Practical expedients and policy elections are available under the guidance, which was effective at adoption. The Organization elected the package of practical expedients permitted under the transition guidance which did not require reassessment of whether contracts entered into prior to adoption are or contain a lease, and allowed carry forward of the historical lease classification for existing leases.

The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. For all other leases, the Organization recognizes right-of-use (ROU) asset and lease liabilities based on the present value of lease payments over the lease term at the commencement date of the lease (or January 1, 2022 for existing leases upon the adoption of ASC 842). The Organization has also elected to use the risk-free discount rate for its leases. The risk-free discount rates were obtained using U.S. Treasury securities as posted on the Federal Reserve website.

The Organization made an accounting policy election to account for each separate lease component and the non-lease components associated with that lease component as a single lease component. Non-lease components that are variable in nature are recorded in variable lease expense in the period incurred.

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

14. Reclassifications

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

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 10, 2026. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

16. Statement of Cash Flows

Ending cash and cash equivalents, and restricted cash in the statement of cash flows totaling \$6,084,407 includes cash and cash equivalents of \$5,721,300 and restricted cash of \$363,107 at June 30, 2025. Beginning cash and cash equivalents, and restricted cash in the statement of cash flows totaling \$6,922,142 includes cash and cash equivalents of \$6,577,530 and restricted cash of \$344,612 at June 30, 2024.

17. Recent Accounting Pronouncements

Implemented:

Effective July 1, 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments - Credit Losses (ASC 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The adoption had no significant impact on the Organization's financial statements.

NOTE 3 – FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents, accounts receivable, and investments to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date because of contractual or donor-imposed restrictions.

	<u>2025</u>	<u>2024</u>
Total assets at year end	\$ 15,769,050	\$ 16,328,551
Less non-financial assets		
Prepaid expenses	(120,460)	(76,791)
Cash and cash equivalents, restricted	(363,107)	(344,612)
Property and equipment, net	(364,400)	(375,654)
Deposits	(150,000)	(150,000)
Operating lease right-of-use asset	<u>(5,006,666)</u>	<u>(5,460,802)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,764,417</u>	<u>\$ 9,920,692</u>

In the event of unanticipated liquidity needs, the Organization has two unused lines of credit with available borrowings of \$12,000,000 and \$7,500,000.

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2025	2024
Grants receivable	\$ 1,595,737	\$ 952,920
Family Support Services of Suncoast, LLC	823,369	854,304
Other receivables	613,406	612,742
Trade	10,732	10,732
Total accounts receivable	\$ 3,043,244	\$ 2,430,698

There was no bad debt expense for both June 30, 2025 and 2024.

NOTE 5 – INVESTMENTS IN MARKETABLE SECURITIES

Investment in marketable securities consist of the following:

June 30, 2025	Cost	Value
Mutual and money market funds	\$ 628,899	\$ 684,532
Corporate bonds	320,135	315,341
Total investments	\$ 949,034	\$ 999,873
June 30, 2024	Cost	Value
Mutual and money market funds	\$ 410,886	\$ 413,701
Corporate bonds	450,814	498,763
Total investments	\$ 861,700	\$ 912,464

The Organization's investment income is summarized as follows:

Year ended June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 51,739	\$ -	\$ 51,739
Net realized and unrealized gains	68,526	-	68,526
Investment fees	(7,033)	-	(7,033)
Investment income	\$ 113,232	\$ -	\$ 113,232
Year ended June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 62,761	\$ -	\$ 62,761
Net realized and unrealized gains	42,424	-	42,424
Investment fees	(5,686)	-	(5,686)
Investment income	\$ 99,499	\$ -	\$ 99,499

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6 – PROPERTY AND EQUIPMENT

Components of property and equipment are as follows:

	Estimated Useful Lives (in years)	2025	2024
Computer equipment	3-5	\$ 1,630,741	\$ 1,548,768
Furniture and equipment	3-5	395,369	395,369
Vehicles	5	239,291	160,935
		2,265,401	2,105,072
Less accumulated depreciation		(1,901,001)	(1,729,418)
Total property and equipment, net		<u>\$ 364,400</u>	<u>\$ 375,654</u>

Depreciation expense was \$171,582 and \$160,874 for the years ended June 30, 2025 and 2024, respectively.

NOTE 7 – LINE OF CREDIT

The Organization obtained a \$4,500,000 Line of Credit (LOC) in 2016 with a financial institution which was amended to increase the amount to \$7,500,000 and extend the maturity date to April 30, 2026. The LOC bears interest at the Index Rate plus a percentage per annum equal to 2.5% and is collateralized by all accounts receivable. The LOC was unused at June 30, 2025.

The Organization obtained a second LOC during 2023 for \$2,000,000 with a financial institution which was amended to increase the amount to \$12,000,000 and extend the maturity date to April 30, 2026. The LOC bears interest at the Index Rate plus a percentage per annum equal to 2.5% and is collateralized by all accounts receivable. The LOC was unused at June 30, 2025.

NOTE 8 – NET ASSETS

A summary of net assets with donor restrictions is as follows:

	2025	2024
Purpose restricted		
Nassau programs	\$ 40,370	\$ 36,420
Foster care programs	33,003	52,900
Children and other programs	26,364	46,165
Legal lessons	405	405
Independent living programs	151	-
Total net assets with purpose restrictions	<u>\$ 100,293</u>	<u>\$ 135,890</u>

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 8 – NET ASSETS (continued)

A summary of the releases of donor restrictions follows:

	2025	2024
Purpose restricted		
Foster care programs	\$ 67,189	\$ 44,770
Children and other programs	48,510	2,247
Nassau programs	8,300	8,347
Adoption programs	-	23,243
Independent living programs	-	330
Total releases of net assets with donor restrictions	<u>\$ 123,999</u>	<u>\$ 78,937</u>

NOTE 9 – REVENUE

The Organization is recognizing revenue at a point in time for its program service fee revenue. There are no outstanding performance obligations to be satisfied at June 30, 2025 and 2024. There is no program service fee revenue for the years ended June 30, 2025 and 2024.

Disaggregated Revenue

100% of the Organization's revenue for June 30, 2025 and 2024 is from non-exchange transactions through grants and contracts with government agencies.

The Organization's customers are primarily the general public located in the north-eastern Florida portion of the United States and government agencies.

NOTE 10 – FAIR VALUE MEASUREMENTS

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

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

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

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

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 10 – FAIR VALUE MEASUREMENTS (continued)

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Mutual funds: Valued at the daily closing price reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This included basing value on yields currently available on comparable securities of issuers with similar credit ratings.

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

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended June 30,:

June 30, 2025	Level 1	Level 2	Level 3	Total
Mutual and money market funds	\$ 684,532	\$ -	\$ -	\$ 684,532
Corporate bonds	-	315,341	-	315,341
Total investments at fair value	<u>\$ 684,532</u>	<u>\$ 315,341</u>	<u>\$ -</u>	<u>\$ 999,873</u>
June 30, 2024	Level 1	Level 2	Level 3	Total
Mutual and money market funds	\$ 413,701	\$ -	\$ -	\$ 413,701
Corporate bonds	-	498,763	-	498,763
Total investments at fair value	<u>\$ 413,701</u>	<u>\$ 498,763</u>	<u>\$ -</u>	<u>\$ 912,464</u>

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 10 – FAIR VALUE MEASUREMENTS (continued)

Changes in Fair Value Levels

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

Management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. There were no transfers between Level 1, 2, or 3 during the years ended June 30, 2025 or 2024.

NOTE 11 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash with financial institutions in excess of the FDIC limit of \$250,000 by \$5,477,679 and \$6,313,888 at June 30, 2025 and 2024, respectively.

The Organization receives a substantial amount of support from federal, state, and local government agencies. A reduction in the level of future support from the state or local government agencies could have substantial effect on the Organization's programs and activities.

The Organization's credit risk is inherent principally in its investments. Adverse economic conditions either domestically or internationally may result in a reduction of the investments' carrying amount. Market risk of the Organization's investment portfolio is monitored through ongoing review of asset allocations and evaluations by independent investment advisors.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The Organization is party to two building operating leases, which are required to be included on the statement of financial position under ASC 842.

As of June 30, 2025, the operating lease right of use (ROU) asset had a balance of \$5,006,666, as shown in noncurrent assets on the statement of financial position; the operating lease liability is included in current liabilities (\$408,881) and long-term liabilities (\$4,820,054). The operating lease asset and liability were calculated utilizing the weighted average discount rate (5.473%), according to the Organization's elected policy. The weighted average remaining term of the operating leases is nine years.

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 12 – COMMITMENTS AND CONTINGENCIES (continued)

Additional information about the Organization’s leases are as follows:

Lease costs (included in rent):

Operating lease cost	\$ 752,641
Total lease cost	\$ 752,641

Other information:

Cash paid for amounts included in measuring operating lease liabilities:

Operating cash flows from operating leases	\$ 669,571
Total cash paid for amounts included in measuring operating lease liabilities	\$ 669,571

Weighted-average remaining lease term (years)	8.47
Weighted-average discount rate	5.473%

The difference between rent expense and rent paid is non-cash rent.

Maturities of operating lease liabilities as of June 30, 2025:

Year ending June 30:	
2026	\$ 686,311
2027	703,469
2028	721,055
2029	739,082
2030	757,559
Thereafter	3,040,783
Total lease payments	6,648,259
Less: interest	(1,419,324)
Present value of operating lease liability	\$ 5,228,935

Contingencies

Grants and contracts require the fulfillment of certain conditions set forth in the grant or contract. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the possibility remains, management deems the contingency remote as, by accepting awards and their terms, it has accommodated the objectives of the Organization to the provisions of the grant.

The Organization’s contract with the State of Florida, Department of Children and Families (DCF) is approximately 97% of the Organization’s total revenue for years ended June 30, 2025 and 2024.

On June 25, 2024, the Organization entered into a new agreement with the State of Florida Department of Children and Families that will be effective July 1, 2024 and terminate on June 30, 2029.

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 12 – COMMITMENTS AND CONTINGENCIES (continued)

The Organization, in the normal course of business, is subject to claims and litigation. Although the ultimate disposition of these legal matters cannot be predicted with certainty, it is the present opinion of the Organization’s management that the outcome of the current litigation will not have material effect on the financial condition of the Organization.

NOTE 13 – DEFINED CONTRIBUTION PROGRAM

The Organization sponsors a defined contribution plan (the Plan) covering substantially all employees. The Organization makes a contribution to the Plan each year equal to 3% of each participants’ compensation. Total expense for the years ended June 30, 2025 and 2024 was \$303,810 and \$307,813, respectively.

NOTE 14 – CONTRIBUTED NON-FINANCIAL ASSETS

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 have to be purchased by the Organization. Volunteers also provide many program related services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Donated facilities and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated supplies are recorded at their fair market values on the date of receipt by the Organization. A corresponding amount is recorded as expense.

For the years ended June 30, contributed non-financial assets recognized within the statements of activities included:

	<u>2025</u>	<u>2024</u>
Services	\$ 438,050	\$ 561,374
Supplies	<u>186,637</u>	<u>51,221</u>
Total contributed non-financial assets	<u>\$ 624,687</u>	<u>\$ 612,595</u>

NOTE 15 – SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after June 30, 2025 through February 10, 2026, the date the Organization’s financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2025

Federal/State Agency, Pass-Through Entity, State Project	ALN/ CSFA Number	Grantor's Contract Number	Passed-Through to Subrecipients	Expenditures
FEDERAL AWARDS				
<u>U.S. Department of Health and Human Services</u>				
Direct award:				
Child Welfare Early Education Partnership	93.670	90CA1881-01-00	\$ -	\$ 195,261
Pass-through program from:				
State of Florida, Department of Children and Families: Promoting Safe and Stable Families	93.556	DJ048	2,003,768	2,026,779
Medicaid Cluster				
Medical Assistance Program	93.778	DJ048	18,142	233,300
Temporary Assistance for Needy Families Block Grant	93.558	DJ048	2,649,067	5,648,229
Guardianship Assistance	93.090	DJ048	-	142,259
Community Based Family Resource and Support Grants	93.590	DJ048	-	483,987
Chafee Education and Training Vouchers Program	93.599	DJ048	-	65,618
Child Welfare Services-State Grants	93.645	DJ048	403,220	594,990
Foster Care Title IV-E	93.658	DJ048	1,981,848	8,128,177
Adoption Assistance	93.659	DJ048	276,941	13,008,231
Social Services Block Grant	93.667	DJ048	684,688	6,293,170
Child Abuse and Neglect State Grants	93.669	DJ048	30,829	38,424
Child Abuse and Neglect State Grants	93.669	LJ257	-	505,018
Total Child Abuse and Neglect State Grants			<u>30,829</u>	<u>543,442</u>
Chaffee Foster Care for Successful Transition to Adulthood	93.674	DJ048	-	361,073
Adoption Incentive Payments	93.603	DJ048	-	31,245
Total U.S. Department of Health and Human Services			<u>8,048,503</u>	<u>37,755,761</u>
Total Expenditures of Federal Awards			<u>\$ 8,048,503</u>	<u>\$ 37,755,761</u>

See independent auditor's report.

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2025

<u>Federal/State Agency, Pass-Through Entity, State Project</u>	<u>ALN/ CSFA Number</u>	<u>Grantor's Contract Number</u>	<u>Passed-Through to Subrecipients</u>	<u>Expenditures</u>
STATE FINANCIAL ASSISTANCE				
<u>State of Florida, Department of Children and Families</u>				
Direct program:				
Out-of-Home Supports	60.074	DJ048	\$ 1,547,059	\$ 5,728,718
The Independent Living and Road-to-Independence Program	60.112	DJ048	-	24,543
CBC-Sexually Exploited Children	60.138	DJ048	-	229,989
CBC-Purchase of Therapeutic Services for Children	60.183	DJ048	90,495	1,129,290
Extended Foster Care Program	60.141	DJ048	-	685,646
CBC-Adoption Services	60.076	DJ048	-	626,814
Family Finders Program	60.206	DJ048	-	197,787
Kinship Navigator Program	60.207	DJ048	-	558,980
Guardianship Assistance Program	60.210	DJ048	-	128,275
CBC-Fatherhood Engagement Specialists	60.211	DJ048	-	94,033
Early Childhood Court Case Management and Prevention	60.225	DJ048	120,694	135,303
State Funded Child Care Subsidy	60.244	DJ048	-	839,148
Total Expenditures of State Financial Assistance			\$ 1,758,248	\$ 10,378,526
STATE MATCHING OF FEDERAL AWARDS				
<u>Department of Children and Families</u>				
Guardianship Assistance	93.090	DJ048	\$ -	\$ 106,576
Promoting Safe and Stable Families	93.556	DJ048	17,158	24,629
Chafee Education and Training Vouchers Program	93.599	DJ048	-	16,405
Child Welfare Services-State Grants	93.645	DJ048	134,407	198,330
Adoption Assistance	93.659	DJ048	2,512,774	9,979,766
Chaffee Foster Care for Successful Transition to Adulthood	93.674	DJ048	-	90,268
Medical Assistance Program	93.778	DJ048	18,142	233,300
Temporary Assistance for Needy Families Block Grant	93.558	DJ048	4,461,696	7,314,787
Foster Care Title IV-E	93.658	DJ048	1,981,848	6,935,847
To be Tested Pursuant to OCA Activity	90.XXX	DJ048	276,941	9,976,354
Total Expenditures of State Matching of Federal Awards			\$ 9,402,966	\$ 34,876,262
TOTAL FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE, AND STATE MATCHING OF FEDERAL AWARDS			\$ 19,209,717	\$ 83,010,549

See independent auditor's report.

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

YEAR ENDED JUNE 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal award and state grant activity of Family Support Services of North Florida, Inc. under programs of the federal and state government for the year ended June 30, 2025. The information in this 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* (Chapter 10.650). Because the Schedule presents only a selected portion of the operations of Family Support Services of North Florida, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Family Support Services of North Florida, Inc.

NOTE 2 – BASIS OF ACCOUNTING

This Schedule was prepared on the modified accrual basis of accounting. The modified accrual basis differs from the full accrual basis of accounting in that expenditures for property and equipment are expensed when incurred, rather than being capitalized and depreciated over their useful lives, and expenditures for the principal portion of debt service are expensed when incurred, rather than being applied to reduce the outstanding principal portion of debt, which conforms to the basis of reporting to grantors for reimbursement under the terms of the Organization's federal and state grants.

NOTE 3 – INDIRECT COST RATES

The Organization is not required to utilize the 10% de minimis indirect cost rate allowed under the Uniform Guidance and Chapter 10.650 and does not have a Federally Approved indirect cost rate. Allowable indirect general and administrative costs are allocated to programs, grants, contracts using a base that results in an equitable distribution. The Organization allocates rent expense to various departments based upon the square footage occupied by each Department as a percentage of the total space. Telephone and communication line charges are based upon which departmental FTEs are utilizing these services. Commercial insurance, office supplies, office equipment and similar expenses are charged to departments in proportion to their FTEs.

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

YEAR ENDED JUNE 30, 2025

NOTE 4 – RELATIONSHIP OF THE SCHEDULE TO PROGRAM FINANCIAL REPORTS

The amounts reflected in the financial reports submitted to the awarding federal, state and/or pass-through agencies and the Schedule may differ.

Some of the factors that may account for any difference include the following:

- The Organization's fiscal year end may differ from the program's year end.
- Accruals recognized in the Schedule, because of year end procedures, may not be reported in the program financial reports until the next program reporting period.
- Fixed asset purchases and the resultant depreciation charges are recognized as fixed assets in the Organization's financial statements and as expenditures in the program financial reports and the Schedule.

NOTE 5 – FEDERAL AND STATE CARRY-FORWARD FUNDS

During the year the Organization utilized \$454,466 of carry forward revenues from the Department of Children and Families.

NOTE 6 – CONTINGENCIES

Grant monies received and disbursed by the Organization are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Management does not believe that such disallowance, if any, would have a material effect on the financial position of the Organization. As of June 30, 2025, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

NOTE 7 – NONCASH ASSISTANCE

The Organization did not receive any federal noncash assistance for the fiscal year ended June 30, 2025.

NOTE 8 – LOANS AND LOAN GUARANTEES

The Organization did not have any loans or loan guarantee programs required to be reported on the Schedule for the fiscal year ended June 30, 2025.



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

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga
Rich J. Cassidy
Justin R. Cabral

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

St. Petersburg, FL 33710
5401 Central Avenue
Phone: 727-327-1999

N. Palm Beach, FL 33408
1201 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

To the Board of Directors of
Family Support Services of North Florida, Inc.
Jacksonville, 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 Family Support Services of North Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2026.

Report on Internal Control Over Financial Reporting

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 10, 2026



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 STATE OF FLORIDA CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors of
Family Support Services of North Florida, Inc.
Jacksonville, Florida

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

We have audited Family Support Services of North Florida, Inc.'s compliance with the types of compliance requirements identified as subject to the audit 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 Family Support Services of North Florida, Inc.'s major federal programs and state projects for the year ended June 30, 2025. Family Support Services of North Florida, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Family Support Services of North 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 programs and state projects for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.650 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Family Support Services of North 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 and state project. Our audit does not provide a legal determination of Family Support Services of North Florida, Inc.'s compliance with the compliance requirements referred to above.

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga
Rich J. Cassidy
Justin R. Cabral

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mossskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

St. Petersburg, FL 33710
5401 Central Avenue
Phone: 727-327-1999

N. Palm Beach, FL 33408
1201 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

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 Family Support Services of North Florida, Inc.'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 Family Support Services of North 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 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 Family Support Services of North Florida, Inc.'s compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, 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 Family Support Services of North 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 Family Support Services of North 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, but not for the purpose of expressing an opinion on the effectiveness of Family Support Services of North 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 or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material

Report on Internal Control Over Compliance (continued)

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. Accordingly, this report is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 10, 2026

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL PROGRAMS AND STATE PROJECTS

June 30, 2025

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 weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | No |
| 3. Noncompliance material to financial statements noted? | None reported |

Federal Awards

- | | |
|---|---------------|
| 1. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | No |
| 4. Dollar threshold used to distinguish between Type A and Type B programs | \$1,132,673 |
| 5. Auditee qualified as low-risk auditee? | Yes |

Identification of major programs:

<u>Name of Federal Program</u>	<u>ALN</u>
Adoption Assistance	93.659
Social Services Block Grant	93.667
Temporary Assistance for Needy Families Block Grant	93.558
Community Based Family Resource and Support Grants	93.590

FAMILY SUPPORT SERVICES OF NORTH FLORIDA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL PROGRAMS AND STATE PROJECTS

June 30, 2025

Section I – Summary of Auditor’s Results (continued)

State Financial Assistance

- | | |
|--|---------------|
| 1. Type of auditor’s report issued on compliance for major projects: | Unmodified |
| 2. Internal control over major projects: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, <i>Rules of the Auditor General</i> | No |
| 4. Dollar threshold used to distinguish between Type A and Type B projects | \$750,000 |

Identification of major projects:

<u>Name of State Project</u>	<u>CSFA Number</u>
Out-of-Home Supports	60.074
CBC – Purchase of Therapeutic Services for Children	60.183
State Funded Child Care Subsidy	60.244

Section II – Financial Statement Findings

No current year findings

Section III – Federal Award and State Projects Findings and Questioned Costs

None (there are no items related to Federal Awards or State Financial Assistance required to be reported in the management letter)

Section IV – Status of Prior Year Audit Findings

There were no prior year audit findings



MANAGEMENT LETTER

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga
Rich J. Cassidy
Justin R. Cabral

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

St. Petersburg, FL 33710
5401 Central Avenue
Phone: 727-327-1999

N. Palm Beach, FL 33408
1201 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

To the Board of Directors of
Family Support Services of North Florida, Inc.
Jacksonville, Florida

Report on the Financial Statements

We have audited the financial statements of the Family Support Services of North Florida, Inc., as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated February 10, 2026.

Auditor's Responsibility

We conducted our audit 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 Chapter 10.650, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 10, 2026, should be considered in conjunction with this management letter.

Additional Matters

Section 10.654(1)(e), *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements or State project amounts that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 10, 2026