Children's Forum, Inc.

FINANCIAL AND COMPLIANCE REPORTS FOR THE CHILDREN'S TRUST CONTRACTS

For the Year Ended June 30, 2019



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INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF THE CHILDREN'S TRUST CONTRACTS

Board of Directors Children's Forum, Inc. Tallahassee, Florida

Report on the Schedule of Expenditures of The Children's Trust Contracts

We have audited the accompanying schedule of expenditures of The Children's Trust contracts (1811-2780, 1811-2781, 1811-2782, 1911-2780, 1911-2781, and 1911-2782) of Children's Forum, Inc. for the year ended June 30, 2019, and the related notes (the Schedule).

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule 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 the Schedule that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility for the Schedule

Our responsibility is to express an opinion on the Schedule based on our audit.

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; and The Children's Trust contracts. Those standards and The Children's Trust contracts require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, expenditures of The Children's Trust contracts (1811-2780, 1811-2781, 1811-2782, 1911-2780, 1911-2781 and 1911-2782) of Children's Forum, Inc. as of June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

CARR, RIGGS & INGRAM, LLC

Can, Rigge & Ingram, L.L.C.

Tallahassee, FL

December 20, 2019

Children's Forum, Inc. Schedule of Expenditures of The Children's Trust Contracts Year ended June 30, 2019

Contract Name	Contract Term	Contract Number	(1) Contract Amount	(2) Y-T-D Expenditures	(3) Fiscal Year Expenditures
WAGE\$	08/1/2018 - 07/31/2019	1911-2780 \$	250,000	\$ 218,020	\$ 218,020
WAGE\$	07/1/2017 - 07/31/2018	1811-2780	205,409	205,409	14,793
Scholarship Management	08/1/2018 - 07/31/2019	1911-2782	600,000	553,687	553,687
Scholarship Management	07/1/2017 - 07/31/2018	1811-2782	289,572	273,255	17,826
Trust Registry	08/1/2018 - 07/31/2019	1911-2781	365,000	340,660	340,660
Trust Registry	07/1/2017 - 07/31/2018	1811-2781	384,427	384,427	25,783
					
Total Expenditures of The Child	ren's Trust Contracts	Ş	2,094,408	\$ 1,975,458	\$ 1,170,769

- (1) These amounts represent the total contract amount for the period of the contract.
- (2) These amounts represent the actual expenditures from the start of the contract through June 30, 2019.
- (3) These amounts represent the actual expenditures incurred from July 1, 2018 through June 30, 2019.

Children's Forum, Inc. Notes to the Schedule of The Children's Trust Contracts For the Year Ended June 30, 2019

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Children's Forum, Inc. (the Forum) is a statewide, not-for-profit organization whose mission is to make Florida a quality child caring state. Through federal and state contracts and private contributions, the Forum functions as a service-based clearinghouse of information, data, research, advocacy, and training for the state's early care and learning industry. The Forum receives funding for its programs primarily from federal government grants. Thus, it is dependent on the federal government and the State of Florida's ability to honor its federal pass-through contracts to continue to fund its operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of The Children's Trust Contracts is presented on the accrual basis of accounting.

Allocation of Expenditures

Expenditures are invoiced in accordance with the budget as approved by The Children's Trust. As The Children's Trust Contract is a cost reimbursement method of payment, expenditures allocated to the Children's Trust Contracts are based on the specific identification of costs to The Children's Trust program, with the exception of overhead. These costs are allocated based on a reasonable allocation of cost utilizing the following methods: full time equivalents.

Subsequent Events

Subsequent events have been evaluated through the date of the independent auditors' report which is the date the Schedule was available to be issued.

NOTE 3 – ADVANCES

As of June 30, 2019, there was no liability for monies advanced to Children's Forum, Inc. by The Children's Trust.

NOTE 4 – DUE TO THE CHILDREN'S TRUST (Questioned Costs)

None.

Children's Forum, Inc. Notes to the Schedule of The Children's Trust Contracts For the Year Ended June 30, 2019

NOTE 5 – CAPITAL EQUIPMENT EXPENDITURES

Capital equipment is defined by The Children's Trust as individual items with a value of \$1,000 or greater which have a life expectancy of more than one year. Expenditures for capital equipment equal to or greater than \$10,000, purchased with The Children's Trust funds, become assets of The Children's Trust, and are owned by The Children's Trust unless the capital equipment is fully depreciated and in the possession of Children's Forum, Inc. Purchases of capital equipment greater than or equal to \$1,000 and less than \$10,000, with The Children's Trust funds, become assets of Children's Forum, Inc. All capital equipment purchased with The Children's Trust funds are intended for The Children's Trust funded programs. During the year ended June 30, 2019, Children's Forum, Inc. did not purchase any capital equipment with The Children's Trust funds.

NOTE 6 – OPERATING LEASE/RENT EXPENSE

Children's Forum, Inc. owns one and rents two facilities where it provides the services contracted by The Children's Trust. For the year ended June 30, 2019, \$46,123 in rent expense was reimbursed by The Children's Trust in relation to the six Children's Trust contracts. As The Children's Trust does not reimburse for operating leases or rent expense when related parties are involved or when the Provider owns the space, no funds were reimbursed by The Children's Trust in regards to this space.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH OF THE CHILDREN'S TRUST CONTRACTS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors Children's Forum, Inc. Tallahassee, Florida

Report on Compliance for Each Children's Trust Contract

We have audited Children's Forum, Inc.'s compliance with the types of compliance requirements described in The Children's Trust contracts that could have a direct and material effect on each of Children's Forum, Inc.'s contracts with The Children's Trust (1811-2780, 1811-2781, 1811-2782, 1911-2780, 1911-2781 and 1911-2782) for the year ended June 30, 2019. Children's Forum, Inc.'s contracts with The Children's Trust are identified in the Schedule of Expenditures of The Children's Trust Contracts.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to The Children's Trust contracts.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Children's Forum, Inc.'s Children's Trust contracts based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and The Children's Trust contracts. Those standards and The Children's Trust contracts require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on The Children's Trust contract occurred. An audit includes examining, on a test basis, evidence about Children's Forum, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each of The Children's Trust contracts. However, our audit does not provide legal determination of Children's Forum, Inc.'s compliance.

Opinion on Compliance for Each of The Children's Trust Contracts

In our opinion, Children's Forum, 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 Children's Trust contracts (1811-2780, 1811-2781, 1811-2782, 1911-2780, 1911-2781 and 1911-2782) for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Children's Forum, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements of laws, regulations, and contracts applicable to The Children's Trust contracts. In planning and performing our audit of compliance, we considered Children's Forum, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each of The Children's Trust contracts to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of The Children's Trust contracts, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Children's Forum, Inc.'s 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 Children's Trust contract 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 The Children's Trust contract 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 The Children's Trust contract 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Children's Trust contract. Accordingly, this report is not suitable for any other purpose.

CARR, RIGGS & INGRAM, LLC

Can, Rigge & Ingram, L.L.C.

Tallahassee, FL

December 20, 2019

Children's Forum, Inc. Schedule of Findings and Questioned Costs Year ended June 30, 2019

Section I – Summary of Auditors' Results

The Children's Trust Contracts Program-Specific Audit

1.	Type of auditors' report issued:	Unmodified				
2.	Internal control over program					
	a. Material weaknesses identified?	No				
	b. Significant deficiencies identified not considered to be material weaknesses?	None noted				
3.	Any audit findings or questioned costs?	No				
4.	. Amount of questioned costs due to The Children's Trust					

Section II – Findings and Responses – The Children's Trust Contracts Program-Specific Audit

Current Year

None

Prior Year

None