

# Children's Forum, Inc.

## FINANCIAL STATEMENTS

June 30, 2015 and 2014



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**Children’s Forum, Inc.**  
**Table of Contents**  
**June 30, 2015 and 2014**

**REPORT**

Independent Auditors’ Report	1
------------------------------	---

**FINANCIAL STATEMENTS**

Statements of Financial Position	3
----------------------------------	---

Statements of Activities	4
--------------------------	---

Statements of Cash Flows	5
--------------------------	---

Notes to Financial Statements	6
-------------------------------	---

**SUPPLEMENTARY INFORMATION**

Schedules of Functional Expenses (Program Costs)	10
--	----

Schedule of Expenditures of Federal Awards	14
--	----

Notes to Schedule of Expenditures of Federal Awards	15
---	----

**SINGLE AUDIT AND AUDITOR GENERAL REPORTS**

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 <i>Government Auditing Standards</i>	16
---	----

Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	18
--	----

Schedule of Findings and Questioned Costs – Federal Awards	20
--	----

**REQUIRED COMMUNICATIONS**

Required Communications	22
-------------------------	----

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality	28
--	----

Summary of Audit Adjustments	29
------------------------------	----

Management Representation Letter	31
----------------------------------	----

**INTERNAL CONTROL RECOMMENDATIONS**

Internal Controls	36
-------------------	----



# REPORT



## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Children's Forum, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 financial statements.

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 financial statements referred to above present fairly, in all material respects, the financial position of Children's Forum, Inc. as of June 30, 2015 and 2014, 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.

## **Other Matters**

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses are presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is also 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 information 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 December 16, 2015, on our consideration of Children's Forum, 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 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 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 Children's Forum, Inc.'s internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL

December 16, 2015



# FINANCIAL STATEMENTS

**Children's Forum, Inc.**  
**Statements of Financial Position**

<i>June 30,</i>	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 368,751	\$ 481,649
Accounts receivable	2,124,053	2,086,505
Accounts receivable - other	159,578	139,228
Other assets	23,457	25,605
Total current assets	2,675,839	2,732,987
Property and equipment, net	600,462	611,009
Total assets	\$ 3,276,301	\$ 3,343,996
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 488,060	\$ 620,622
Deferred revenue	146,417	-
Total current liabilities	634,477	620,622
Net Assets		
Unrestricted net assets	\$ 2,641,824	2,722,994
Temporarily restricted net assets	-	380
Total net assets	2,641,824	2,723,374
Total liabilities and net assets	\$ 3,276,301	\$ 3,343,996

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

**Children's Forum, Inc.**  
**Statements of Activities**

<i>Years ended June 30,</i>	<b>2015</b>	<b>2014</b>
<b>Revenue and support</b>		
Governmental contracts	\$ 7,966,978	\$ 8,212,887
Communications/IT services	19,687	23,877
Conference and training	48,342	50,805
Membership fees	34,527	35,711
Interest and dividends	916	1,110
Publications	9,461	23,845
Other	1,779	3,401
Total revenue and support	<b>8,081,690</b>	<b>8,351,636</b>
<b>Expenditures</b>		
Program costs:		
Child Care WAGE\$ Florida	756,883	1,056,728
DCF Child Care Training Evaluation Services	190,725	156,404
Disability Unit	136,008	197,570
Early Childhood Education Professional Development	170,247	169,346
Professional Development	1,287,454	1,163,408
Program Assessment Center	537,462	696,044
School Age Services	1,796,577	1,568,176
TEACH Early Childhood Project	3,171,290	3,165,150
Total program costs	<b>8,046,646</b>	<b>8,172,826</b>
Management and general expenses	116,214	183,495
Total expenses	<b>8,162,860</b>	<b>8,356,321</b>
<b>Change in unrestricted net assets</b>	<b>(81,170)</b>	<b>(4,685)</b>
<b>Beginning unrestricted net assets</b>	<b>2,722,994</b>	<b>2,727,679</b>
<b>Ending unrestricted net assets</b>	<b>\$ 2,641,824</b>	<b>\$ 2,722,994</b>
<b>Change in temporarily restricted net assets</b>		
Contributions	\$ -	5,000
Net assets released from restrictions	(380)	(4,620)
<b>Change in temporarily restricted net assets</b>	<b>(380)</b>	<b>380</b>
<b>Beginning temporarily restricted net assets</b>	<b>380</b>	<b>-</b>
<b>Ending temporarily restricted net assets</b>	<b>\$ -</b>	<b>380</b>

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



**Children's Forum, Inc.**  
**Statements of Cash Flows**

<i>Years ended June 30,</i>	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (81,550)	\$ (4,305)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Facilities and usage allowance	24,342	30,905
(Increase) decrease in:		
Due from the State of Florida	(37,548)	161,218
Due from other contracts	(20,350)	149,637
Other assets	2,148	(10,307)
Increase (decrease) in:		
Accounts payable and accrued expenses	(132,562)	(291,432)
Deferred revenue	146,417	(12,701)
Net cash (used in) provided by operating activities	<b>(99,103)</b>	23,015
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(13,795)	-
Net cash used in investing activities	<b>(13,795)</b>	-
Net change in cash and cash equivalents	<b>(112,898)</b>	23,015
Beginning cash and cash equivalents	<b>481,649</b>	458,634
Ending cash and cash equivalents	<b>\$ 368,751</b>	<b>\$ 481,649</b>

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



**Children's Forum, Inc.**  
**Notes to Financial Statements**

**NOTE 1 – NATURE OF OPERATIONS**

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**

This summary of significant accounting policies of the Forum presents information to assist in understanding the Forum's financial statements. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

***Accounts Receivable***

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Forum 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 Forum's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

***Property and Equipment***

Property and equipment with an original cost in excess of \$1,000 are recorded at cost less accumulated facilities and usage allowance. Facilities and usage allowance is computed using the straight-line method. Assets are depreciated over their estimated useful lives of 3 to 40 years.

***Income Taxes***

The Forum has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code, except on unrelated business income. Accordingly, no liability for income taxes is reflected in these financial statements.

***Revenue Recognition***

Revenue on cost-reimbursement contracts is recognized when the related expenses are incurred. Revenue on fixed-price contracts is recognized as the related expenses are incurred, except for the excess revenue on fixed-price contracts, which is recognized when all deliverables have been provided. Revenue from membership fees is recognized during the membership period.

**Children's Forum, Inc.**  
**Notes to Financial Statements**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the estimated programs and supporting services benefited.

***Management Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position. Actual results could differ from those estimates.

***Subsequent Events***

Subsequent events have been evaluated through the date of the independent auditors' report, which is the date that the financial statements were available to be issued.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents typically include all short-term, highly liquid investments with original maturities of three months or less. Cash and cash equivalents, which include cash in bank and money market accounts, are maintained at multiple financial institutions at June 30, 2015, which are each insured by the Federal Deposit Insurance Corporation up to \$250,000. The Forum had approximately \$214,000 uninsured at June 30, 2015.

**NOTE 4 – ACCOUNTS RECEIVABLE**

No allowance for doubtful accounts has been established, as management believes these amounts to be fully collectible.

**NOTE 5 – PROPERTY AND EQUIPMENT – NET**

Property and equipment consisted of the following:

<i>June 30,</i>	<b>2015</b>	2014
Land	\$ 209,848	\$ 209,848
Building and improvements	743,574	729,779
Computer equipment	32,071	32,071
Software	37,605	37,605
Furniture and equipment	62,860	62,860
Property and equipment	<b>1,085,958</b>	1,072,163
Accumulated depreciation	<b>(485,496)</b>	(461,154)
Property and equipment, net	<b>\$ 600,462</b>	\$ 611,009



**Children's Forum, Inc.**  
**Notes to Financial Statements**

**NOTE 5 – PROPERTY AND EQUIPMENT – NET (Continued)**

In accordance with the terms of the State of Florida contracts, title to property and equipment purchased with contract funds shall be vested with the State upon termination of the applicable contract.

Facilities and usage allowance expense for the years ended June 30, 2015 and 2014 was \$24,342 and \$30,905, respectively.

**NOTE 6 – DEFERRED REVENUE**

Deferred revenue consisted of unexpended scholarship funds of \$146,417 and \$-0- at June 30, 2015 and 2014, respectively. The deferred revenue will be recognized when the related expenses are incurred.

**NOTE 7 – ANNUITY PLAN**

Children's Forum, Inc. sponsors a 403(b) annuity plan covering all employees. Employer contributions, equal to 5 percent of all participants' compensation, are made on behalf of each participant who is at least 21 years old and has completed one year of eligible service.

The amount of 403(b) expense for the years ended June 30, 2015 and 2014 was \$103,867 and \$95,760, respectively.

**NOTE 8 – CONCENTRATION OF RISK**

During the year ended June 30, 2015 and 2014, Children's Forum, Inc. recognized grant revenue of \$3,000,000 from the Agency for Workforce Innovation. This amount represents 37% and 36%, respectively, of total revenue and support.

**NOTE 9 – INCOME TAXES**

The Forum utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2015, the Forum has no uncertain tax provisions that qualify for either recognition or disclosure in the financial statements.

**Children's Forum, Inc.**  
**Notes to Financial Statements**

**NOTE 10 – OPERATING LEASE**

The Forum leases office space under an operating lease that expires in fiscal year 2017.

Future minimum rental payments under the lease commitment are as follows:

<i>Years ending June 30,</i>	
2016	\$ 103,435
2017	26,069
Total minimum rentals	\$ 129,504

Rental expense totaled \$119,414 and \$112,241 for the years ended June 30, 2015 and 2014, respectively.



**SUPPLEMENTARY INFORMATION**

**Children's Forum, Inc.**  
**Schedule of Functional Expenses (Program Costs)**

Year ended June 30, 2015	TEACH Early Childhood Project	Child Care WAGE\$ Florida	Disability Unit	Program Assessment Center	School Age Services
Facilities & Equipment Usage	\$ 15,263	\$ 709	\$ 1,296	\$ -	\$ 2,617
Insurance	3,786	1,817	675	2,404	7,623
Office Expenses	16,728	4,319	1,328	19,661	26,019
Printing	16,360	3,681	777	1,386	12,397
Professional Development	5,527	1,244	588	5,007	20,428
Professional Fees	5,167	2,404	5,995	9,824	250,747
Rent	6,485	8,601	2,117	16,117	25,167
Salaries and Benefits	563,883	259,653	113,726	435,687	1,221,461
Scholarships	2,503,654	459,638	-	-	-
Travel	16,058	5,494	3,688	38,585	204,844
Utilities	18,379	9,323	5,818	8,791	25,274
<b>Total</b>	<b>\$ 3,171,290</b>	<b>\$ 756,883</b>	<b>\$ 136,008</b>	<b>\$ 537,462</b>	<b>\$ 1,796,577</b>

See Independent Auditors' Report.

**Children's Forum, Inc.**  
**Schedule of Functional Expenses (Program Costs)**  
**(Continued)**

<i>Year ended June 30, 2015</i>	Early Childhood Education Professional Development	DCF Child Care Training Evaluation Services	Professional Development	Total Program Costs 2015
Facilities & Equipment Usage	\$ 243	\$ 3,717	\$ 406	\$ 24,251
Insurance	607	822	6,597	24,331
Office Expenses	16,855	3,639	16,335	104,884
Printing	630	1,293	8,042	44,566
Professional Development	2,171	1,292	8,978	45,235
Professional Fees	2,521	1,087	14,204	291,949
Rent	3,260	69	55,314	117,130
Salaries and Benefits	132,662	154,704	1,096,681	3,978,457
Scholarships	-	-	-	2,963,292
Travel	8,194	19,387	53,628	349,878
Utilities	3,104	4,715	27,269	102,673
<b>Total</b>	<b>\$ 170,247</b>	<b>\$ 190,725</b>	<b>\$ 1,287,454</b>	<b>\$ 8,046,646</b>

*See Independent Auditors' Report.*



**Children's Forum, Inc.**  
**Schedule of Functional Expenses (Program Costs)**

	TEACH Early Childhood Project	Child Care WAGE\$ Florida	Disability Unit	Program Assessment Center	School Age Services
<i>Year ended June 30, 2014</i>					
Facilities & Equipment Usage	\$ 6,541	\$ 1,382	\$ 1,797	\$ 1,461	\$ 11,234
Insurance	2,945	590	815	2,513	5,873
Office Expenses	18,028	6,025	3,870	23,159	22,869
Printing	32,703	6,918	1,553	1,538	7,666
Professional Development	2,370	485	80	1,262	7,583
Professional Fees	4,530	1,159	5,501	82,539	158,525
Rent	11,377	5,124	3,186	17,355	23,849
Salaries and Benefits	552,452	241,456	168,211	533,050	1,197,921
Scholarships	2,504,847	780,942	-	-	-
Travel	13,287	4,699	5,220	24,075	101,461
Utilities	16,070	7,948	7,337	9,092	31,195
<b>Total</b>	<b>\$ 3,165,150</b>	<b>\$ 1,056,728</b>	<b>\$ 197,570</b>	<b>\$ 696,044</b>	<b>\$ 1,568,176</b>

See Independent Auditors' Report.

**Children's Forum, Inc.**  
**Schedule of Functional Expenses (Program Costs)**  
**(Continued)**

Year ended June 30, 2014	Early Childhood Education Professional Development	DCF Child Care Training Evaluation Services	Professional Development	Total Program Costs 2014
Facilities & Equipment Usage	\$ 2,011	\$ 1,438	\$ 4,208	\$ 30,072
Insurance	1,235	647	4,946	19,564
Office Expenses	17,041	2,243	29,331	122,566
Printing	1,507	1,710	6,154	59,749
Professional Development	431	350	4,090	16,651
Professional Fees	5,930	3,596	11,713	273,493
Rent	515	2,198	42,513	106,117
Salaries and Benefits	132,609	138,660	998,584	3,962,943
Scholarships	-	-	142	3,285,931
Travel	7,077	1,400	39,930	197,149
Utilities	990	4,162	21,797	98,591
<b>Total</b>	<b>\$ 169,346</b>	<b>\$ 156,404</b>	<b>\$ 1,163,408</b>	<b>\$ 8,172,826</b>

See Independent Auditors' Report.

**Children's Forum, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2015**

Grantor/Pass Through Grantor/Program Title	CFDA Number	Award Amount	Contract Number	Expenditures
<b>FEDERAL</b>				
<u>U.S. Department of Health and Human Services</u>				
<b><u>Child Care and Development Block Grant:</u></b>				
Passed through Office of Early Learning ( <i>Fund 816</i> )	93.575	\$ 3,000,000	SR574	\$ 3,000,000
Passed through Office of Early Learning ( <i>Fund 461</i> )	93.575	77,875	FORUM-WAGE\$-14-ELC7	77,875
Passed through Florida Department of Children & Families ( <i>Fund 207</i> )	93.575	188,570	LC924	188,570
<b><u>Child Care and Development Block Grant - ARRA:</u></b>				
Passed through Office of Early Learning ( <i>Fund 461</i> )	93.713	87,385	FORUM-WAGE\$-14-ELC7	87,385
<b><u>Temporary Assistance for Needy Families:</u></b>				
Passed through Office of Early Learning ( <i>Fund 461</i> )	93.558	131,481	FORUM-WAGE\$-14-ELC7	131,481
<b><u>Child Care Mandatory and Matching Funds of the Child Care and Development Fund:</u></b>				
Passed through Office of Early Learning ( <i>Fund 461</i> )	93.596	151,442	FORUM-WAGE\$-14-ELC7	151,442
<b><u>Social Services Block Grant:</u></b>				
Passed through Office of Early Learning ( <i>Fund 461</i> )	93.667	404	FORUM-WAGE\$-14-ELC7	404
<b><u>Refugee and Entrant Assistance Discretionary Grant:</u></b>				
Passed through Office of Administration for Children and Families ( <i>Fund 512</i> )	93.576	173,775	90RG0111-02-01/ 90RG0161-01-02	170,247
<u>U.S. Department of Education</u>				
<b><u>Twenty-First Century Community Learning Centers:</u></b>				
Passed through Office of Elementary and Secondary Education ( <i>Fund 215</i> )	84.287	1,847,166	91L-2433A-4PA01/ 91L-2435A-5PA01	1,796,576
<b><u>Voluntary Public School Choice Program:</u></b>				
Passed through the Panhandle Area Education Consortium ( <i>Fund 720</i> )	84.361A	29,000	14-166	29,000
<b>Total Expenditures of Federal Awards</b>				<b>\$ 5,632,980</b>

*See Independent Auditors' Report and related notes to  
schedule of expenditures of federal awards.*



**Children's Forum, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2015**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Children's Forum, Inc. and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.



**SINGLE AUDIT AND  
AUDITOR GENERAL REPORTS**

**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**

To the Board of Directors  
Children's Forum, Inc.  
Tallahassee, 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 Children's Forum, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Children's Forum, 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 Children's Forum, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Children’s Forum, 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 determination of financial statement amounts. 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.

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL

December 16, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited Children's Forum, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and special audit guidance provided by the Office of Early Learning that could have a direct and material effect on each of Children's Forum, Inc.'s major federal programs for the year ended June 30, 2015. Children's Forum, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Children's Forum, Inc.'s major federal programs 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 financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and special audit guidance provided by the Office of Early Learning. Those standards and OMB Circular A-133 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 a major federal program 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 major federal program. However, our audit does not provide a legal determination of Children's Forum, Inc.'s compliance.



### ***Opinion on Each Major Federal Program***

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 of its major federal programs for the year ended June 30, 2015.

### **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 referred to above. 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 major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 federal program 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 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL

December 16, 2015

**Children's Forum, Inc.**  
**Schedule of Findings and Questioned Costs – Federal Awards**  
**Year Ended June 30, 2015**

**Summary of Audit Results**

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of Children's Forum, Inc.
2. No control deficiencies are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Children's Forum, Inc. were disclosed during the audit.
4. No control deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.
5. The Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 of Children's Forum, Inc. expresses an unmodified opinion on all major federal programs.
6. There are no audit findings relative to the major federal award programs for Children's Forum, Inc. that are required to be reported in this schedule in accordance with Section 510(a) of OMB Circular A-133.
7. The federal programs tested as major programs include:

<u>Federal Program</u>	<u>Federal CFDA No.</u>
U.S. Department of Health and Human Services – Child Care and Development Block Grant	93.575

8. The threshold for distinguishing Type A and B programs/projects was \$300,000 for major federal programs.
9. The Children's Forum, Inc. was a low-risk auditee for the year ended June 30, 2015.
10. There are no items related to federal awards required to be reported in the management letter.



**Children's Forum, Inc.**  
**Schedule of Findings and Questioned Costs – Federal Awards**  
**Year Ended June 30, 2015**

**Findings - Financial Statement Audit**

None.

**Findings and Questioned Costs-Major Federal Programs**

None.



**REQUIRED COMMUNICATIONS**



**Carr, Riggs & Ingram, LLC**

1713 Mahan Drive  
Tallahassee, FL 32308

(850) 878-8777  
(850) 878-2344 (fax)  
[www.cricpa.com](http://www.cricpa.com)

December 16, 2015

The Board of Directors and Management  
Children's Forum, Inc.

We are pleased to present the results of our audit of the 2015 financial statements of the Children's Forum, Inc. ("The Forum").

This report to the Board of Directors and management summarizes our audit, the report issued and various analyses and observations related to the Forum's accounting and reporting. The document also contains the communications required by our professional standards.

Our GAAP audit was designed, primarily, to express an opinion on the Forum's 2015 financial statements. We considered the Forum's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the Forum's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Board of Directors, management and others within the Forum and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 850-878-8777 or [tcox@cricpa.com](mailto:tcox@cricpa.com).

Very truly yours,

A handwritten signature in black ink, appearing to read "L. Thomas Cox, Jr.", written over a horizontal line.

L. Thomas Cox, Jr.  
Partner

## Required Communications

As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Forum. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the Forum's financial statements for the years ended June 30, 2015 and 2014;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Other audit-related projects as they arise and upon request.

## Required Communications

We have audited the financial statements of Children’s Forum, Inc. for the years ended June 30, 2015 and 2014, and have issued our report thereon dated December 16, 2015. Professional standards require that we provide you with the following information related to our audit:

<b>MATTER TO BE COMMUNICATED</b>	<b>AUDITORS’ RESPONSE</b>
<p><b>Auditors’ responsibility under Generally Accepted Auditing Standards</b></p>	<p>As stated in our engagement letter dated August 26, 2015, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the Forum. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p><b>Client’s responsibility</b></p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p>
<p><b>Planned scope and timing of the audit</b></p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p><b>Management judgments and accounting estimates</b>  <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors’ conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled “Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality.”</p>
<p><b>Potential effect on the financial statements of any significant risks and exposures</b>  <i>Major risks and exposures facing the Forum and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>

## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</b></p> <ul style="list-style-type: none"> <li>• <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i></li> <li>• <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the Forum's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by the Forum in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i></li> <li>• <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i></li> </ul>	<p>See section entitled "Accounting Policies, Judgments and Sensitive Estimates &amp; CRI Comments on Quality" and Note 2 of the Notes to the Financial Statements.</p>



## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Significant difficulties encountered in the audit</b>  <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	None.
<p><b>Disagreements with management</b>  <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	None.
<p><b>Other findings or issues</b>  <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	None.
<p><b>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</b>  <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	None.
<p><b>Corrected and uncorrected misstatements</b>  <i>All significant audit adjustments arising from the audit, whether or not recorded by the Forum, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	Please see the following section titled "Summary of Audit Adjustments."

## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Major issues discussed with management prior to retention</b></p> <p><i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	None.
<p><b>Consultations with other accountants</b></p> <p><i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	None of which we are aware.
<p><b>Written representations</b></p> <p><i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	See "Management Representation Letter" section.
<p><b>Internal control deficiencies</b></p> <p><i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i></p>	See "Internal Control Findings" section.
<p><b>Fraud and illegal acts</b></p> <p><i>Fraud involving the Forum's management, or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving the Forum's management and any other illegal acts, unless clearly inconsequential.</i></p>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
<p><b>Other information in documents containing audited financial statements</b></p> <p><i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> <li>• Such information is materially inconsistent with the financial statements; and</li> <li>• We believe such information represents a material misstatement of fact.</li> </ul> <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>

## Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the Forum's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Board may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Expenses	Based on our procedures with respect to the Forum's expenses, the Forum allocates expenses between program and supporting services as required by the AICPA Audit & Accounting Guide for Not-for-Profit Entities.	X	<p>The Forum reports expenses based on its functional classification.</p> <p>The allocation between program and supporting services is based on a combination of direct and indirect allocation of expenses as detailed in our Cost Allocation Plan (CAP). Indirect and/or shared expenses are allocated using either "Full Time Equivalents" or employee time records.</p>	The Forum's policies are in accordance with all applicable accounting guidelines.
Capital Assets	Based on our procedures with respect to the Forum's capital assets, the Forum depreciates capital assets using the straight-line method as required by generally accepted accounting principles.	X	Capital assets are depreciated over their estimated useful lives. Useful lives are estimated based on experience with similar assets and guidance provided by the AICPA Auditing & Accounting Guide.	The Forum's policies are in accordance with all applicable accounting guidelines.

## Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the Forum and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by the Forum or passed (uncorrected).

See attached schedule.

### QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Forum's operating environment that has been identified as playing a significant role in the Forum's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

## Summary of Audit Adjustments

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>6101</b>		
To make net assets roll properly				
52003	Mis Consultant Fees		380.00	
30000	Net Assets			380.00
<b>Total</b>			<b><u>380.00</u></b>	<b><u>380.00</u></b>



December 16, 2015

Carr Riggs & Ingram, LLC  
1713 Mahan Drive  
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the financial statements of Children's Forum, Inc., which comprises the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 16, 2015 the following representations made to you during your audit.

#### Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 26, 2015, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

#### Board of Directors

Phyllis K. Kalifeh, Ed.D.  
Children's Forum  
*Board Member*

Robert H. Buesing, J.D.  
Forum's Executive Director  
*Board Chair*

Wil Blechman, M.D.  
Board Physician  
*Board Chair*

Allison Davis, CPA  
W. IAW III  
*Executive*

Barbara Sims  
Consultant  
*Secretary*

Christopher J. Card, Ph.D.  
Education Service Board  
*Board Member*

Rowann Ficks  
Association of  
Educational Creditors  
*Board Member*

Linda Foy  
Consultant  
*Board Member*

Larry Pintacuda  
Health Access Foundation  
*Board Member*

Pastor Kenneth Scobbs  
First Baptist Church of Tallahassee  
*Board Member*

Linda Stoller  
Consultant  
*Board Member*

Carr Riggs & Ingram, LLC  
Page 2

- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- Material concentrations have been properly disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the company is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- As part of your audit, you assisted with the preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.

### Information Provided

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements or the schedule of expenditures of federal awards.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

Carr Riggs & Ingram, LLC  
Page 3

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- Children's Forum, Inc. is an exempt organization under Section 501c3 of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- We acknowledge our responsibility for presenting the Schedule of Functional expenses, and Schedule of Expenditures of Federal Awards in accordance with U.S. GAAP, and we believe the Schedule of Functional expenses, and Schedule of Expenditures of Federal Awards, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the Schedule of Functional expenses, and Schedule of Expenditures of Federal Awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- With respect to federal award programs:
  - We are responsible for understanding and complying with, and have complied with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, including requirements relating to preparation of the schedule of expenditures of federal awards.
  - We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 §310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with OMB Circular A-133 §310.b. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
  - If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.



## Management Representation Letter

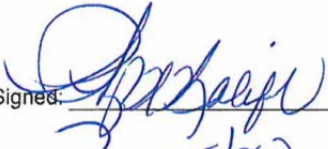
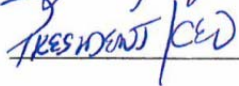
Carr Riggs & Ingram, LLC  
Page 4

- We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- We are responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- We have received no requests from a federal agency to audit one or more specific programs as a major program.
- We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Circular A-133 Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.
- We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-122, Cost Principles for Nonprofit Organizations, and Subpart C, Cost Sharing and Matching, of OMB Circular A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations.
- We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

# Management Representation Letter

Carr Riggs & Ingram, LLC  
Page 5

- o We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
  - o There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
  - o No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the date as of which compliance was audited.
  - o Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
  - o The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
  - o We have charged costs to federal awards in accordance with applicable cost principles.
  - o We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
  - o We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
  - o We are responsible for preparing and implementing a corrective action plan for each audit finding.
- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

Signed:  \_\_\_\_\_ Signed: \_\_\_\_\_  
Title:  \_\_\_\_\_ Title: \_\_\_\_\_



**INTERNAL CONTROL  
RECOMMENDATIONS**

The Board of Directors and Management of  
Children's Forum, Inc.

In planning and performing our audit of the financial statements of Children's Forum, Inc. ("the Forum") as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Forum's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Forum's internal control. Accordingly, we do not express an opinion on the effectiveness of the Forum'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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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 may exist that have not been identified.

This communication is intended solely for the information and use of management and Board of Directors, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL

December 16, 2015

## Internal Control Findings

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

<b>IP =</b> <b>Improvement Point</b>	<b>D =</b> <b>Control Deficiency</b>	<b>SD =</b> <b>Significant Deficiency</b>	<b>MW =</b> <b>Material Weakness</b>
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### Internal control recommendations

None noted in current year.