



Children's Forum, Inc.

FINANCIAL STATEMENTS

June 30, 2023 and 2022



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REPORT





INDEPENDENT AUDITOR'S REPORT

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

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Children's Forum, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Children's Forum, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Children's Forum, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Children's Forum, 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 Children's Forum, 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 Children's Forum, 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*, and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2024 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 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 Children's Forum, 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 Children's Forum, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Children's Forum, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL
February 15, 2024



FINANCIAL STATEMENTS

Children's Forum, Inc.
Statements of Financial Position

<i>June 30,</i>	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 523,031	\$ 384,905
Accounts receivable	3,884,316	5,375,143
Accounts receivable - other	263,183	80,530
Other assets	-	53,785
Total current assets	4,670,530	5,894,363
Long-term assets		
Property and equipment, net	14,369	21,057
Total long-term assets	14,369	21,057
Total assets	\$ 4,684,899	\$ 5,915,420
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 562,776	\$ 1,822,157
Refundable advances	29,665	108,109
Amounts held on behalf of others	397,417	470,087
Current portion of accrued leave	-	9,140
Total current liabilities	989,858	2,409,493
Long-term liabilities		
Accrued leave, less current portion	353,862	234,860
Deferred compensation payable	-	24,467
Total long-term liabilities	353,862	259,327
Total liabilities	1,343,720	2,668,820
Net assets		
Without donor restrictions	3,329,531	3,234,952
With donor restrictions	11,648	11,648
Total net assets	3,341,179	3,246,600
Total liabilities and net assets	\$ 4,684,899	\$ 5,915,420

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

Children's Forum, Inc. Statements of Activities

<i>For the years ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	Total 2023	Summarized Total 2022
Revenue and Other Support				
Governmental grants	\$ 17,900,315	\$ -	\$ 17,900,315	\$ 15,139,525
Assessments	1,391,771	-	1,391,771	925,775
Sponsorships	155,895	-	155,895	100,950
Membership dues	58,388	-	58,388	45,850
Other	72,289	-	72,289	62,887
Gain from forgiveness of PPP loan	-	-	-	229,661
Total revenue and other support	19,578,658	-	19,578,658	16,504,648
Expenses				
<i>Program services</i>				
TEACH Early Childhood Project	10,147,462	-	10,147,462	9,954,185
Child Care INCENTIVE\$ Florida	3,643,966	-	3,643,966	1,666,225
Help Me Grow Family Support	1,803,209	-	1,803,209	1,768,383
Early Childhood Education Professional Development	1,621,989	-	1,621,989	1,380,886
Program Assessment Center	1,469,764	-	1,469,764	842,364
Child Care Training Evaluation Services	222,797	-	222,797	190,698
DEL Workforce Study	53,350	-	53,350	43,687
Total program services	18,962,537	-	18,962,537	15,846,428
<i>Supporting services</i>				
General and administrative	521,542	-	521,542	149,183
Total expenses	19,484,079	-	19,484,079	15,995,611
Change in Net Assets	94,579	-	94,579	509,037
Net assets at beginning of year	3,234,952	11,648	3,246,600	2,737,563
Net assets at end of year	\$ 3,329,531	\$ 11,648	\$ 3,341,179	\$ 3,246,600

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

Children's Forum, Inc. Statements of Functional Expenses

	Program Services								Supporting Services		Summarized Total 2022
	TEACH Early Childhood Project	Child Care INCENTIVE\$ Florida	Program Assessment Center	Help Me Grow Family Support	Child Care Training Evaluation Services	DEL Workforce Study	Early Childhood Education Professional Development	Total Program Services	General and Administrative	Total 2023	
<i>For the year ended June 30,</i>											
Scholarships	\$ 7,895,504	\$ 2,871,886	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,767,390	\$ -	\$ 10,767,390	\$ 8,827,541
Salaries and benefits	1,940,338	695,170	671,700	384,841	180,697	3,053	1,385,671	5,261,470	250,797	5,512,267	4,034,053
Affiliate payments	-	-	-	1,281,641	-	-	-	1,281,641	-	1,281,641	1,338,021
Contractual	3,149	1,502	710,439	-	193	45,000	55,512	815,795	2,632	818,427	-
Rent	138,917	31,015	23,466	20,585	8,527	3,222	31,048	256,780	37,260	294,040	336,208
Office expenses	67,052	14,665	17,748	48,390	3,302	950	51,327	203,434	65,563	268,997	299,635
Travel	25,698	12,258	29,304	13,007	22,495	56	43,839	146,657	68,860	215,517	115,217
Professional fees	14,909	1,408	4,037	5,025	902	192	6,043	32,516	69,369	101,885	751,071
Printing and other	22,502	6,911	1,823	2,277	1,463	274	16,438	51,688	16,904	68,592	78,339
Public education-outreach	275	-	-	42,460	-	-	9,727	52,462	1,700	54,162	107,814
Utilities	17,040	4,412	5,885	2,259	1,438	182	11,423	42,639	3,476	46,115	41,508
Insurance	14,388	3,455	3,204	1,902	882	281	7,004	31,116	2,221	33,337	33,355
Professional development	3,108	602	1,766	320	2,668	21	3,829	12,314	2,515	14,829	19,548
Facilities and equipment usage	4,582	682	392	502	230	119	128	6,635	53	6,688	6,688
Interest	-	-	-	-	-	-	-	-	192	192	6,613
Total	\$ 10,147,462	\$ 3,643,966	\$ 1,469,764	\$ 1,803,209	\$ 222,797	\$ 53,350	\$ 1,621,989	\$ 18,962,537	\$ 521,542	\$ 19,484,079	\$ 15,995,611

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

Children's Forum, Inc.
Statements of Cash Flows

<i>For the years ended June 30,</i>	2023	2022
Operating Activities		
Change in net assets	\$ 94,579	\$ 509,037
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Facilities and usage allowance	6,688	6,688
Gain from forgiveness of PPP loan	-	(229,661)
Changes in operating assets and liabilities:		
Accounts receivable	1,490,827	(2,017,886)
Accounts receivable - other	(182,653)	(2,878)
Other assets	53,785	3,826
Accounts payable and accrued expenses	(1,259,381)	326,123
Refundable advances	(78,444)	87,155
Amounts held on behalf of others	(72,670)	(3,922)
Accrued leave	109,862	3,518
Deferred compensation payable	(24,467)	242
Net cash provided by (used in) operating activities	138,126	(1,317,758)
Financing Activities		
Repayment of PPP loan	-	(510,339)
Net cash provided by (used in) financing activities	-	(510,339)
Net change in cash and cash equivalents	138,126	(1,828,097)
Cash and cash equivalents at beginning of year	384,905	2,213,002
Cash and cash equivalents at end of year	\$ 523,031	\$ 384,905
Schedule of Certain Cash Flow Information		
Cash paid for interest	\$ -	\$ 6,613

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

Note 1: DESCRIPTION OF THE ORGANIZATION

Children's Forum, Inc. (the Forum) is a statewide, not-for-profit organization whose mission is to make Florida a State that provides quality care for children. 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 Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Forum's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with a maturity when acquired of 90 days or less.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Accounts receivable balances consist of amounts billed to funding and grant organizations for reimbursement of costs incurred in fulfillment of a contract. Due to the nature of the underlying contracts and historical collection results, management considers the balance to be fully collectable, therefore, no allowance has been established.

Accounts receivable - other balances consist primarily of expenses incurred relating to reimbursement based contracts, which management believes all conditions have been met to bill for reimbursement and recognized as revenue at year end, but due to timing have not been billed. Due to the nature of the underlying contracts and historical collection results, management considers the balance to be fully collectable, therefore, no allowance has been established.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are initially recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. Depreciation is disclosed as "facilities and usage allowance" within the basic financial statements.

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.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses relate to expenses incurred but not paid at year-end. Accounts payable and accrued expenses consist primarily of Help Me Grow subrecipient reimbursement expenses and accrued payroll.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts Held on Behalf of Others

The Forum acts as a fiscal agent for the Florida Afterschool Network (FAN). As such, the Forum deposits grant and other funds and disburses these funds on behalf of and at the direction of FAN. In return, the Forum receives a 15% administrative fee.

Leases

The Forum leases office space. Management determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities the statements of financial position.

ROU assets represent the Forum's right to use an underlying asset for the lease term and lease liabilities represent the Forum's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, management uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Forum will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

In evaluating contracts to determine if they qualify as a lease, management considers factors such as if the Forum has obtained substantially all of the rights to the underlying asset through exclusivity, if the Forum can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

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

Management has elected to apply the short-term lease exemption to office space. In fiscal year 2023, the Forum has a small number of leases within this class of underlying asset that qualify for the exemption. The short-term lease cost recognized and disclosed for those leases in 2023 is \$6,143.

Net Assets

The Forum 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (continued)

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 Forum, the environment in which it operates, the purposes specified in its corporate documents, its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the normal 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. 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.

Revenue Recognition

Assessments and other fees for service are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied.

Governmental grants, membership dues, and sponsorships are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. 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.

Functional Allocation of Expenses

The cost of providing certain activities of the Forum have been reported on a functional basis in the statements of functional expenses. The allocation between program and supporting services is based on a combination of direct and indirect allocation. Indirect overhead expenses, including salaries and benefits, are allocated based on employees' time spent in each capacity, square footage, or number of participants.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Forum is exempt from taxes on income other than unrelated business income. The Forum had no unrelated business income for the years ended June 30, 2023 and 2022.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (continued)

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, 2023 and 2022, the Forum has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Reclassifications

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 15, 2024. See Note 12 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

Accounting Standards Update 2016-02

In February 2016, the FASB issued ASC 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Effective July 1, 2022 the Forum adopted ASC 842 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Forum elected the available practical expedients to account for existing operating leases as operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement. The Forum did not have any capital leases.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (continued)

As a result of the adoption of the new lease accounting guidance, the Forum recognized on July 1, 2022 a lease liability of \$251,791, which represents the present value of the remaining operating lease payments, discounted using the incremental borrowing rate of 4.75%, and a right-of-use asset of \$245,556. The operating lease was terminated prior to June 30, 2023, which resulted in no lease liability or right-of-use asset as of June 30, 2023.

The standard did not have a material impact on the statement of financial position, statement of activities, or statement of cash flows.

Accounting Standards Update 2016-13

In June 2016, the FASB issued ASC 326, *Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments*, which is essentially the final rule on use of the so-called CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. For non-public entities, the amendments in this ASU are effective for fiscal years beginning after December 15, 2022. Early adoption will be permitted for all organizations for fiscal years beginning after December 15, 2018. The Forum is currently evaluating the impact of the guidance on its financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Forum maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Forum's expenditures come due. The following reflects the Forum's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

Children’s Forum, Inc.
Notes to Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

<i>June 30,</i>	2023	2022
Total assets at year-end	\$ 4,684,899	\$ 5,915,420
Less non-financial assets:		
Other assets	-	(53,785)
Property and equipment, net	(14,369)	(21,057)
Financial assets at year-end	4,670,530	5,840,578
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Restricted by donor for specified purpose	(11,648)	(11,648)
Amounts held on behalf of others	(397,417)	(470,087)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,261,465	\$ 5,358,843

The Forum is principally supported by governmental grants. In the event of financial distress or need for immediate liquidity resulting from events outside the typical life cycle, the Forum would consult with their financial advisor and work with their current bank to meet cash flow needs.

Note 4: ACCOUNTS RECEIVABLE AND ACCOUNTS RECEIVABLE - OTHER

Accounts receivable consists of the following:

<i>June 30,</i>	2023	2022
Grants and funds	\$ 3,884,316	\$ 5,375,143
Total accounts receivable	\$ 3,884,316	\$ 5,375,143

Accounts receivable – other consists of the following:

<i>June 30,</i>	2023	2022
Accrued billings on reimbursement based contracts	\$ 263,183	\$ 75,147
Miscellaneous	-	5,383
Total accounts receivable - other	\$ 263,183	\$ 80,530

Bad debts expense was \$-0- for each of the years ended June 30, 2023 and 2022.

Children’s Forum, Inc.
Notes to Financial Statements

Note 5: PROPERTY AND EQUIPMENT

Property and equipment, net, consists of the following:

<i>June 30,</i>	Estimated Useful Lives (in years)	2023	2022
Building and improvements	10 - 40	\$ -	\$ 22,198
Computer equipment	3 - 5	32,071	32,071
Software	3 - 5	37,605	37,605
Furniture and equipment	7 - 10	94,140	94,140
Property and equipment		163,816	186,014
Less accumulated depreciation		(149,447)	(164,957)
Property and equipment, net		\$ 14,369	\$ 21,057

Facilities and usage allowance expense was \$6,688 for each of the years ended June 30, 2023 and 2022.

Note 6: LINE OF CREDIT

The Forum maintained a line of credit agreement with a financial institution, which expired in December 2022. Available borrowings under the agreement were \$750,000, with an interest rate based on changes to the lender’s prime rate plus 2.00% (6.25% as of June 30, 2022), with a floor of 4.00% and ceiling of 18.00%. The outstanding balance was \$-0- as of June 30, 2023 and 2022.

Note 7: NET ASSETS

Net assets with donor restrictions consist of:

<i>June 30,</i>	2023	2022
Restricted for specified purpose - disaster relief	\$ 11,648	\$ 11,648
Net assets with donor restrictions	\$ 11,648	\$ 11,648

Children’s Forum, Inc.
Notes to Financial Statements

Note 8: REVENUE

The Forum’s primary revenue source is from state and federal grants. The Forum’s revenue from contracts with customers primarily relates to class assessments.

Disaggregated Revenue

A summary of disaggregated revenue information follows:

<i>For the years ended June 30,</i>	2023	2022
Revenue from contracts with customers		
<i>Recognized at a point in time</i>		
Assessments	\$ 1,391,771	\$ 925,775
Other	68,773	59,912
Other revenue and support		
Governmental grants	17,900,315	15,139,525
Sponsorships	155,895	100,950
Membership dues	58,388	45,850
Other	3,516	2,975
Gain from forgiveness of PPP loan	-	229,661
Total revenue and other support	\$ 19,578,658	\$ 16,504,648

Contract Balances

Contract balances consist of the following:

<i>June 30,</i>	2023	2022
Receivable from contracts at beginning of year	\$ 5,383	\$ 2,050
Receivable from contracts at end of year	\$ -	\$ 5,383

Note 9: CONCENTRATIONS OF RISK

At June 30, 2023 and 2022, the Forum had balances on deposit with a financial institution in excess of federally insured limits of \$2,071,478 and \$976,902, respectively.

During the years ended June 30, 2023 and 2022, the Forum recognized grant revenue of \$11,993,735 and \$11,722,559, respectively, from the Florida Office of Early Learning. This represents 61% and 71% of total revenue and support for the years ended June 30, 2023 and 2022, respectively. As of June 30, 2023 and 2022, the Forum had \$1,305,179 and \$4,385,678, respectively, due from the Florida Office of Early Learning, which represents 31% and 80% for the years ended June 30, 2023 and 2022, of total accounts receivable.

Note 10: COMMITMENTS

Lease Commitments Accounted for Under FASB ASC 842

The Forum has operating leases for office spaces. All leases during the fiscal year were short-term leases. The main office lease was terminated early, and a new six-year office lease with a new lessor was entered into subsequent to year-end. See Note 12.

The components of lease expense are as follows:

<i>For the year ended December 31,</i>	2023
Operating lease cost	\$ 251,080
Short-term lease cost	\$ 6,143

Lease Commitments Accounted for Under FASB ASC 840

The Forum leases three office spaces under operating leases that expire in various fiscal years through 2030.

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

<i>For the years ending June 30,</i>	
2023	\$ 311,302
2024	317,797
2025	325,726
2026	333,869
2027	342,318
Thereafter	1,016,118
Total future minimum lease payments	\$ 2,647,130

Rent expense totaled \$336,208 for the year ended June 30, 2022.

Note 11: ANNUITY PLAN

The Forum sponsors a 403(b) annuity plan covering all employees. Employer contributions, equal to 5% 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. Total 403(b) expense for the years ended June 30, 2023 and 2022 was \$113,632 and \$105,246, respectively.

The Forum also sponsors a 457(b) deferred compensation plan for certain executive staff. The balance of this plan is included in the statements of financial position as deferred compensation payable. All 457(b) plan assets have been invested by the Forum and remain the property of the Forum until paid to the participants.

Note 12: SUBSEQUENT EVENTS

Subsequent to June 30, 2023, the Forum executed grant agreements totaling \$3,321,000 with subrecipients for the fiscal year ending June 30, 2024. These subrecipients will perform services in accordance with grants received from the State of Florida's Department of Education.

Subsequent to June 30, 2023, the Forum executed a six-year office lease agreement totaling \$1,805,729. The new lease will be presented under the new lease standards as of the lease execution date.



OTHER REPORTS

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

To the Board of Directors
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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 15, 2024.

Report on 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 Children's Forum, 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 have not been identified.

Report on 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 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 Children's Forum, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Children's Forum, Inc.'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

February 15, 2024

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, CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, AND SPECIAL AUDIT GUIDANCE PROVIDED BY THE FLORIDA OFFICE OF EARLY LEARNING

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and Major State Project

We have audited Children's Forum, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement*, the *Florida Department of Financial Services' State Projects Compliance Supplement*, and the special audit guidance provided by the Florida Office of Early Learning, that could have a direct and material effect on Children's Forum, Inc.'s major federal program and major state project for the year ended June 30, 2023. Children's Forum, Inc.'s major federal program and major state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 its major federal program and major state project for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program and Major 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; 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); the audit requirements of Chapter 10.650, *Rules of the Auditor General of the State of Florida* (Rules of the Auditor General); and requirements of the special audit guidance provided by the Florida Office of Early Learning. Our responsibilities under those standards, the Uniform Guidance, the Rules of the Auditor General, and the special audit guidance provided by the Florida Office of Early Learning, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Children's Forum, 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 the major federal program and major state project. Our audit does not provide a legal determination of Children's Forum, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Children's Forum, 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 Children's Forum, 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, the Rules of the Auditor General, and the special audit guidance provided by the Florida Office of Early Learning, 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 Children's Forum, Inc.'s compliance with the requirements of the major federal program and major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, the Rules of the Auditor General, and the special audit guidance provided by the Florida Office of Early Learning, 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 Children's Forum, 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 Children's Forum, 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, the Rules of the Auditor General, and the special audit guidance provided by the Florida Office of Early Learning, but not for the purpose of expressing an opinion on the effectiveness of Children's Forum, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. 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 and state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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, the Rules of the Auditor General, and the special audit guidance provided by the Florida Office of Early Learning. Accordingly, this report is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL
February 15, 2024



SUPPLEMENTARY INFORMATION

Children's Forum, Inc.

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Assistance Listing Number	Award Amount	Contract Number	Expenditures	Amounts Provided to Subrecipients
FEDERAL					
<u>U.S. Department of Health and Human Services</u>					
<u>Child Care Development Fund Cluster</u>					
<u>Passed through Florida Department of Education,</u>					
<u>Office of Early Learning</u>					
Child Care and Development Block Grant	93.575	\$ 10,000,000	SR578	\$ 10,000,000	\$ -
Child Care and Development Block Grant	93.575	4,500,000	2223-FORUM1-A1	1,497,273	-
Child Care and Development Block Grant	93.575	200,000	SR22-23	196,139	-
Child Care and Development Block Grant	93.575	1,078,669	POC 18-5004-00FY22	1,018,371	-
Child Care and Development Block Grant	93.575	910,000	SR/VPK 22-23	893,743	-
Child Care and Development Block Grant	93.575	129,179	SR507	129,179	-
Total Child Care and Development Block Grant				13,734,705	-
<u>Passed through Florida Department of Children and Families</u>					
Child Care and Development Block Grant	93.575	66,216	LC924	66,216	-
Total Child Care Development Fund Cluster				13,800,921	-
<u>Passed through Florida Department of Education,</u>					
<u>Office of Early Learning</u>					
Preschool Development Grant	93.434	36,441	SR301	36,441	-
Total expenditures of federal awards				13,837,362	-
State Grantor/Pass Through Grantor/ Project Title	CSFA Number	Award Amount	Contract Number	Expenditures	Amounts Provided to Subrecipients
STATE					
<u>Florida Department of Education, Office of Early Learning</u>					
Help Me Grow Florida Network	48.111	1,808,957	C1032	1,803,209	1,281,641
Total expenditures of state financial assistance				1,803,209	1,281,641
Total expenditures of federal awards and state financial assistance				\$ 15,640,571	\$ 1,281,641

*See Independent Auditor's Report and related notes to
schedule of expenditures of federal awards and state financial assistance.*

Children's Forum, Inc.
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Children's Forum, Inc. (the Forum). The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

Federal programs with difference assistance listing numbers (ALN) that are closely related because they share common compliance requirements are defined as a cluster by the Uniform Guidance. Child Care and Development Block Grant (ALN 93.575) is reported as a cluster in the schedule.

NOTE 2: BASIS OF ACCOUNTING

The schedule was prepared on the accrual basis of accounting.

NOTE 3: CONTINGENCIES

Grant monies received and disbursed by the Forum are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Forum does not believe that such disallowance, if any, would have a material effect on the financial position of the Forum. As of June 30, 2023, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

NOTE 4: NONCASH ASSISTANCE

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

NOTE 5: INDIRECT COST RATE

The Forum has elected not to use the 10% *de minimis* indirect cost rate allowed under the Uniform Guidance.

Children's Forum, Inc.
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 6: FEDERALLY FUNDED INSURANCE

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

NOTE 7: FEDERALLY FUNDED LOANS

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

Children’s Forum, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | | | | | |
|--|---|-----------------|--------|---|--|
| 1. Type of auditor’s report issued | Unmodified | | | | |
| 2. Internal control over major projects: | | | | | |
| a. Material weaknesses identified? | No | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | No | | | | |
| 4. Identification of major programs: | | | | | |
| <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black; width: 150px;">ALN Number</td> <td style="text-align: center; border-bottom: 1px solid black; width: 200px;">Federal Program</td> </tr> <tr> <td style="text-align: center;">93.575</td> <td style="text-align: center;">Child Care and Development Fund Cluster</td> </tr> </table> | ALN Number | Federal Program | 93.575 | Child Care and Development Fund Cluster | |
| ALN Number | Federal Program | | | | |
| 93.575 | Child Care and Development Fund Cluster | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 | | | | |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | Yes | | | | |

State Financial Assistance:

- | | |
|--|------------|
| 1. Type of auditor’s report issued on compliance for major projects | Unmodified |
| 2. Internal control over major projects: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |

Children’s Forum, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023
(Continued)

SECTION I – SUMMARY OF AUDITOR’S RESULTS (CONTINUED)

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General*? No
4. Identification of major projects:
- | <u>CSFA Number</u> | <u>State Project</u> |
|--------------------|------------------------------|
| 48.111 | Help Me Grow Florida Network |
5. Dollar threshold used to distinguish between type A and type B projects: \$540,963

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

None noted

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

None noted

SECTION V – OTHER MATTERS

- (a) No management letter is required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)(e)).



REQUIRED COMMUNICATIONS

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 and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, Uniform Guidance, and Chapter 10.650, Rules of the Auditor General of the State of Florida, and Special Audit Guidance Provided by the Florida Office of Early Learning, in order to express an opinion on the Forum's financial statements for the year ended June 30, 2023;
- 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
- Perform 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 year ended June 30, 2023, and have issued our report thereon dated February 15, 2024. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR’S RESPONSE
<p>Auditor’s responsibility under Generally Accepted Auditing Standards and Government Auditing Standards.</p>	<p>As stated in our engagement letter dated July 21, 2022, 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>Client’s responsibility</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>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor’s 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>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the Forum and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> • <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> • <i>The auditor should also discuss the auditor's 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.</i> <p><i>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></p>	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Forum are described in Note 2 to the financial statements.</p> <p>In May 2014, the FASB issued ASU 2016-02, <i>Leases</i> (ASC 842), to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. The Forum adopted the standard on July 1, 2022 using the effective date approach, and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.</p> <p>There were no other changes in accounting policies or their application occurred during the current fiscal year.</p> <p>We noted no transactions entered into by the Forum during the current fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Further, the disclosures in the Forum's financial statements are neutral, consistent, and clear.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> • <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> 	See above.
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	We encountered no significant difficulties in dealing with management in performing and completing our audit.
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	We are pleased to report that no such disagreements arose during the course of our audit.
<p>Other findings or issues <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 noted.

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	None noted.
<p>Corrected and uncorrected misstatements <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>	See "Summary of Audit Adjustments" section.
<p>Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	To our knowledge, there were no such consultations with other accountants.
<p>Written representations <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>Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.</i></p>	See "Internal Controls" section.

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Fraud and illegal acts <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 auditor's attention involving the Forum's management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.</p>
<p>Other information in documents containing audited financial statements <i>The external auditor's 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"> • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. <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>
<p>Significant unusual accounting transactions <i>Auditor communication with governance to include auditor's views on policies and practices management used, as well as the auditor's understanding of the business purpose.</i></p>	<p>No significant unusual accounting transactions were noted during the year.</p>
<p>Supplementary Information in relation to the financial statements as a whole <i>The auditor's responsibility for supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</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. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. 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 ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Expenses	The Forum allocates expenses between program and supporting services as required by the AICPA Audit & Accounting Guide for Not-for-Profit Entities.	Yes	The Forum reports expenses based on its functional classification. The allocation between program and supporting services is based on a combination of direct and indirect allocation of expenses as detailed in the Cost Allocation Plan (CAP). Indirect and/or shared expenses are allocated using either "Full Time Equivalents" or employee time records.	The Forum's policies appear to be in accordance with all applicable accounting guidelines.
Property and Equipment	The Forum depreciates property and equipment using the straight-line method as required by generally accepted accounting principles.	Yes	Property and equipment 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 appear to be in accordance with all applicable accounting guidelines.

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

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Accounts Receivable	The Forum uses management's estimate to record TEACH copay receivables at year-end.	Yes	Management estimates the amount of TEACH copays to record as a receivable and revenue at year-end based on aging schedule, history, and collections to date.	The Forum's policy appears to be in accordance with applicable accounting guidelines.
Allowance for Doubtful Accounts	The Forum estimates an allowance for doubtful accounts.	Yes	Management estimates the allowance for doubtful accounts based on experience, third-party contracts, and other circumstances, which may affect the ability of grantors to meet their obligations.	The Forum's policy appears to be in accordance with applicable accounting guidelines.
Leases – Operating	Management determines if an arrangement is a lease or contains a lease at inception. Operating leases are included in operating lease right-of-use assets and operating lease liabilities in the statements of financial position.	Yes	In determining the discount rate used to measure the right-of-use asset and lease liability, the Forum uses the rates implicit in the lease, or if not readily available, the Forum made the accounting policy election to apply the risk-free rate. In determining the lease term. Management includes options to extend or terminate the lease when it is reasonably certain that the Forum will exercise such options.	The Forum's policy appears to be in accordance with 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). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditor's judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

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

Client: **45-01675 - Children's Forum, Inc.**
 Engagement: **2023 Audit - Children's Forum, Inc.**
 Period Ending: **6/30/2023**
 Trial Balance: **TB**
 Workpaper: **3200 - Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To adjust misc. expense - PBC			
60101	Scholarships - All Programs	75,000.00	
57500	Miscellaneous Expense		75,000.00
Total		<u>75,000.00</u>	<u>75,000.00</u>
Adjusting Journal Entries JE # 2			
To adjust FAN restricted funds - PBC			
30151	Restricted Funds - FAN	12,670.00	
30151	Restricted Funds - FAN	60,000.00	
40101	Grant Income		12,670.00
40101	Grant Income		60,000.00
Total		<u>72,670.00</u>	<u>72,670.00</u>
Adjusting Journal Entries JE # 3			
To write off security deposits - PBC			
55100	Rent	29,317.00	
14001	Security Deposits		29,317.00
Total		<u>29,317.00</u>	<u>29,317.00</u>
Adjusting Journal Entries JE # 4			
To reverse journal entry and record accounts receivable as of year-end - PBC			
12102	A/R Grant/Funds	10,765.00	
40101	Grant Income	10,765.00	
11201	Tallahassee St. Bk-Operating		10,765.00
40101	Grant Income		10,765.00
Total		<u>21,530.00</u>	<u>21,530.00</u>
Adjusting Journal Entries JE # 5			
To adjust accounts payable to actual - PBC			
11201	Tallahassee St. Bk-Operating	220,875.00	
20002	Accounts Payable-TEACH/WAGE		220,875.00
Total		<u>220,875.00</u>	<u>220,875.00</u>

Management Representation Letter



2/15/2024

Carr, Riggs & Ingram, LLC
2633 Centennial Boulevard, Suite 200
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the financial statements of The Children's Forum, Inc., which comprise the statements of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively, 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, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 21, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

Erin Smeltzer
Children's Forum
President and CEO

Board of Directors

Robert H. Buesing, J.D.
Trenam Law
Board Chair

Larry Pintacuda
Retired Executive
Secretary

Allison Davis, CPA
WTAS, LLC
Treasurer

Kyle Baltuch
Florida Chamber of
Commerce Foundation
Board Chair

Christopher J. Card, Ph.D.
Retired Executive
Board Member

Claudia Davant
Adams St. Advocates
Board Member

Ted Granger, J.D.
Retired Executive
Board Member

Gege Kreischer
Consultant
Board Member

Eddie Gonzalez Loumiet
Ruvos
Board Member

Diana Ragbeer Murray
Retired Executive
Board Member

Shawna Pointville
EXCEL Kids Academy
Board Member



1650 Summit Lake Drive, Suite 210 Tallahassee, FL 32317

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Children's Forum, Inc. is accredited by Nonprofits First for excellence in sound nonprofit management.

Management Representation Letter

- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) 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.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- 11) As part of your audit, you assisted with the preparation of the financial statements and disclosures, schedule of functional expenses, schedule of federal expenditures and state financial assistance and related notes, schedule of expenditures of the Children's Trust's contracts, calculating lease assets and liabilities, and tax returns. 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 (Lauren Wofford, CFO), 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 The Children's Forum's financial statements and related notes, schedule of expenditures of the Children's Trust's contracts, calculating lease assets and liabilities, tax returns, and any other nonattest services performed by you.
- 12) We have no plans or intentions to discontinue the operations of any program or discontinue any significant services or activities.

Information Provided

- 13) We have provided you with—
 - a) 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 (including information obtained from outside of the general and subsidiary ledgers), documentation, and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 14) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards and state financial assistance.
- 15) 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.
- 16) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves—
 - a) Management,
 - b) Employees who have significant roles in internal control, or

Management Representation Letter

- c) Others where the fraud could have a material effect on the financial statements.
- 17) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 18) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
- 19) 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.
- 20) We have disclosed to you the names of all of the Organization's related parties and all the related-party relationships and transactions, including any side agreements.
- 21) 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.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 23) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 24) Children's Forum, Inc. is an exempt organization under Section 501(c)3 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.
- 25) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards and state financial assistance, notes to schedule of federal awards and state financial assistance, and schedule of findings and questioned costs (supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information 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.
- 26) With respect to federal award programs and state financial assistance:
- a) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General and the Department of Financial Services' State Projects Compliance Supplement (Rules of the Auditor General), including requirements relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards and state financial assistance (SEFASFA) and related disclosures in accordance with the requirements of the Uniform Guidance and Rules of the Auditor General, and we believe the SEFASFA, including its form and content, is fairly presented in accordance with the Uniform Guidance and Rules of the Auditor General. The methods of measurement or presentation of the SEFASFA 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 SEFASFA.

Management Representation Letter

- c) If the SEFASFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFASFA no later than the date we issue the SEFASFA and the auditors' report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and Rules of the Auditor General compliance audit, and have included in the SEFASFA, expenditures made during the audit period for all awards provided by federal and state agencies in the form of federal and state awards, federal and state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards related to each of our federal programs and state projects and have identified and disclosed to you the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs and state projects that provides reasonable assurance that we are managing our federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards that could have a material effect on our federal programs and state projects. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal and state awards (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal programs and state projects and related activities.
- h) We have received no requests from a federal and state agency to audit one or more specific programs as a major program.
- i) 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 Compliance Supplement, relating to federal awards and Department of Financial Services' State Projects Compliance Supplement, related to state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal and state awards.
- j) We have disclosed any communications from federal and state awarding agencies 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 auditors' report.
- k) 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 auditors' report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and Rules of the Auditor General.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

Management Representation Letter

- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program and state project financial reports and claims for advances and reimbursements.
 - 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.
 - p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
 - q) 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 period covered by the auditors' report.
 - r) Federal program and state project financial reports and claims for advances and reimbursements are supported by the books and records from which the schedule of expenditures of federal awards and state financial assistance has been prepared have been prepared.
 - s) The copies of federal program and state project financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal and state agency or pass-through entity, as applicable.
 - t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal and state statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance and Rules of the Auditor General.
 - u) We have issued management decisions for audit findings that relate to federal and state awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal and state awards provided to the subrecipient.
 - v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
 - w) We have charged costs to federal and state awards in accordance with applicable cost principles.
 - x) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - y) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- 27) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 28) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

Signature: *Law Nippel*

Title: Chief Financial Officer



**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, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Forum's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 Forum'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 the Board of Directors, the applicable grantors, and others within the Forum, 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

February 15, 2024