

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

A KID'S PLACE OF TAMPA BAY, INC. AND SUBSIDIARIES

June 30, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors
A Kid's Place of Tampa Bay, Inc. and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of A Kid's Place of Tampa Bay, Inc., a Florida not-for-profit corporation, and Subsidiaries (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of A Kid's Place of Tampa Bay, Inc. and Subsidiaries as of June 30, 2020 and 2019, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated 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 consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Tampa, Florida
December 14, 2020

A Kid's Place of Tampa Bay, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (notes A5 and H)	\$ 859,932	\$ 451,220
CBC receivable (note A6)	193,468	190,670
Contributions receivable (notes A7 and C)	6,000	14,605
Prepaid expenses	65,147	67,382
Other	23,937	24,254
Total current assets	1,148,484	748,131
LONG-TERM CONTRIBUTIONS RECEIVABLE, NET (notes A7 and C)	23,301	19,417
INVESTMENTS, long term (notes A8 and D)	1,106,620	1,072,213
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (notes A9, I and J)	333,541	317,686
LAND, BUILDINGS, AND EQUIPMENT, net of accumulated depreciation (note E)	4,035,785	4,122,144
TOTAL ASSETS	\$ 6,647,731	\$ 6,279,591
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 25,231	\$ 23,389
Accrued expenses	55,457	60,430
Total current liabilities	80,688	83,819
NOTE PAYABLE - PPP LOAN (note L)	512,400	-
COMMITMENTS (note F)	-	-
Total liabilities	593,088	83,819
NET ASSETS (notes A2, H and I)		
Without donor restrictions	5,696,771	5,840,492
With donor restriction	357,872	355,280
Total net assets	6,054,643	6,195,772
TOTAL LIABILITIES AND NET ASSETS	\$ 6,647,731	\$ 6,279,591

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

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and other support (note A12)			
Federal financial assistance	\$ 853,305	\$ -	\$ 853,305
State of Florida financial assistance	1,569,975	-	1,569,975
Contributions	740,433	25,030	765,463
Special events, net of direct expenses of \$228,675	383,863	-	383,863
In-kind revenue (note A13)	181,605	-	181,605
Investment income	34,943	1,966	36,909
Net assets released from restrictions	24,404	(24,404)	-
	<u>3,788,528</u>	<u>2,592</u>	<u>3,791,120</u>
Total revenue and other support			
Expenses			
Program services	3,304,904	-	3,304,904
Supporting expenses			
Management and general	382,710	-	382,710
Fundraising	244,635	-	244,635
	<u>3,932,249</u>	<u>-</u>	<u>3,932,249</u>
Total expenses			
Change in net assets	(143,721)	2,592	(141,129)
Net assets at beginning of year	<u>5,840,492</u>	<u>355,280</u>	<u>6,195,772</u>
Net assets at end of year	<u>\$ 5,696,771</u>	<u>\$ 357,872</u>	<u>\$ 6,054,643</u>

The accompanying notes are an integral part of this consolidated statement.

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and other support (note A12)			
Federal financial assistance	\$ 1,328,114	\$ -	\$ 1,328,114
State of Florida financial assistance	1,150,676	-	1,150,676
Contributions	696,381	9,162	705,543
Special events, net of direct expenses of \$192,331	341,184	-	341,184
In-kind revenue (note A13)	131,785	-	131,785
Investment income	68,329	10,509	78,838
Net assets released from restrictions	<u>49,651</u>	<u>(49,651)</u>	<u>-</u>
Total revenue and other support	<u>3,766,120</u>	<u>(29,980)</u>	<u>3,736,140</u>
Expenses			
Program services	3,006,163	-	3,006,163
Supporting expenses			
Management and general	352,861	-	352,861
Fundraising	<u>299,031</u>	<u>-</u>	<u>299,031</u>
Total expenses	<u>3,658,055</u>	<u>-</u>	<u>3,658,055</u>
Change in net assets	108,065	(29,980)	78,085
Net assets at beginning of year	<u>5,732,427</u>	<u>385,260</u>	<u>6,117,687</u>
Net assets at end of year	<u>\$ 5,840,492</u>	<u>\$ 355,280</u>	<u>\$ 6,195,772</u>

The accompanying notes are an integral part of this consolidated statement.

A Kid's Place of Tampa Bay, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended June 30,

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ (141,129)	\$ 78,085
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	155,804	142,851
Unrealized gain on investments	(14,113)	(52,108)
Decrease in contributions receivable	4,721	79,317
(Increase) decrease in CBC receivable	(2,798)	9,200
Decrease (increase) in other current assets	317	(8,054)
Decrease (increase) in prepaid expenses	2,235	(24,077)
Increase (decrease) in accounts payable	1,842	(1,123)
Decrease in accrued expenses	(4,973)	(84,541)
Total adjustments	143,035	61,465
Net cash provided by operating activities	1,906	139,550
Cash flows from investing activities		
Purchases of property and equipment	(69,445)	(61,908)
Purchase of investments, net	(20,294)	(22,492)
Change in beneficial interest in assets held by others	(15,855)	1,425
Net cash used in investing activities	(105,594)	(82,975)
Cash flows from financing activities		
Proceeds from note payable - PPP	512,400	-
Net cash from financing activities	512,400	-
Net increase in cash and cash equivalents	408,712	56,575
Cash and cash equivalents at beginning of year	451,220	394,645
Cash and cash equivalents at end of year	\$ 859,932	\$ 451,220
Supplemental disclosures of cash flow information		
Cash paid during the year		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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

A Kid's Place of Tampa Bay, Inc. and Subsidiaries
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2020

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 2,125,304	\$ 214,275	\$ 151,985	\$ 2,491,564
Payroll taxes	203,863	20,554	14,579	238,995
Employee benefits	164,321	16,567	11,751	192,639
	<u>2,493,488</u>	<u>251,395</u>	<u>178,315</u>	<u>2,923,198</u>
Fundraising/development	-	-	22,894	22,894
Insurance	43,473	7,092	7,092	57,656
Occupancy	164,041	9,113	9,113	182,268
Office supplies	3,344	17,832	6,687	27,863
Postage and shipping	-	1,446	-	1,446
Printing and publications	-	3,195	-	3,195
Professional fees	46,110	78,039	6,319	130,468
Program supplies	304,628	-	-	304,628
Security	3,967	-	-	3,967
Staff training and compliance	28,732	2,897	2,055	33,683
Technology	8,230	1,029	1,029	10,288
Telephone	23,698	2,962	2,962	29,623
Vehicle expense	13,982	-	-	13,982
Volunteer appreciation	473	-	-	473
Bad debt	-	-	460	460
Other	24,282	3,035	3,035	30,353
	<u>3,158,448</u>	<u>378,036</u>	<u>239,961</u>	<u>3,776,445</u>
Total expenses before depreciation expense	3,158,448	378,036	239,961	3,776,445
Depreciation expense	146,456	4,674	4,674	155,804
Total expenses	<u>\$ 3,304,904</u>	<u>\$ 382,710</u>	<u>\$ 244,635</u>	<u>\$ 3,932,249</u>

The accompanying notes are an integral part of this consolidated statement.

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2019

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 1,891,975	\$ 190,750	\$ 135,300	\$ 2,218,025
Payroll taxes	190,477	19,204	13,621	223,302
Employee benefits	148,633	14,985	10,629	174,247
	<u>2,231,085</u>	<u>224,939</u>	<u>159,550</u>	<u>2,615,574</u>
Fundraising/development	-	-	69,178	69,178
Insurance	52,730	8,581	8,581	69,892
Occupancy	168,128	9,340	9,340	186,808
Office supplies	4,761	25,389	9,520	39,670
Postage and shipping	-	426	-	426
Printing and publications	-	4,979	-	4,979
Professional fees	38,261	64,817	5,202	108,280
Program supplies	252,338	-	-	252,338
Security	11,137	-	-	11,137
Staff training and compliance	23,761	2,396	1,699	27,856
Technology	19,717	2,465	2,465	24,647
Telephone	21,271	2,659	2,659	26,589
Vehicle expense	27,254	-	-	27,254
Volunteer appreciation	774	-	-	774
Bad debt	-	-	23,967	23,967
Other	20,667	2,584	2,584	25,835
Total expenses before depreciation expense	<u>2,871,884</u>	<u>348,575</u>	<u>294,745</u>	<u>3,515,204</u>
Depreciation expense	<u>134,279</u>	<u>4,286</u>	<u>4,286</u>	<u>142,851</u>
Total expenses	<u>\$ 3,006,163</u>	<u>\$ 352,861</u>	<u>\$ 299,031</u>	<u>\$ 3,658,055</u>

The accompanying notes are an integral part of this consolidated statement.

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Description of the Organization

A Kid's Place of Tampa Bay, Inc. is a State of Florida not-for-profit corporation founded in 2009 for the purpose of protecting and caring for neglected and abused children who have been removed from their homes. Its primary focus is to keep sibling groups together in a safe, stable, home-like environment until a more permanent placement can be provided.

2. Principles of Consolidation

The consolidated financial statements include the financial statements of A Kid's Place of Tampa Bay, Inc., A Kid's Place Children's Program, LLC, AKP 1813, LLC, AKP 1715, LLC, AKP 1339, LLC, and AKP Support, LLC (collectively "the Organization"). All significant inter-organizational transactions and accounts have been eliminated in the accompanying consolidated financial statements.

A Kid's Place Children's Program, LLC is a Florida limited-liability corporation formed in 2015 to carry out the mission of the Organization by protecting and caring for neglected and abused children that have been removed from their homes.

AKP 1813, LLC is a Florida limited liability corporation formed in 2015 to own and operate certain real property.

AKP 1715, LLC is a Florida limited liability corporation formed in 2015 to own and operate certain real property.

AKP 1339, LLC is a Florida limited liability corporation formed in 2015 to own and operate certain real property.

AKP Support, LLC is a Florida limited liability corporation formed in 2015 to maintain and steward investable assets not needed to fund current operations.

3. Basis of Accounting

These consolidated financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions.

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Organization follows the provisions of the Financial Accounting Standards Board *Accounting Standards Codification* ("FASB ASC") and the standards of financial reporting for not-for-profit organizations as described in the American Institute of Certified Public Accountants' *Industry Guide for Not-for-Profit Organizations*. Accordingly, the financial statements are prepared on an accrual basis of accounting. The financial statements of the Organization are the representation of management and include estimates of amounts and judgments it believes are reasonable under the circumstances.

FASB ASC 958-205 (*Presentation of Financial Statements*) establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows.

FASB ASC 956-605 (*Revenue Recognition*) requires the Organization to distinguish between contributions that are subject to donor-imposed restrictions and those that are not subject to donor-imposed restrictions. It also requires recognition of contributed services meeting certain criteria at fair value. These financial statements have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classifications of assets, liabilities and net assets into two self-balancing net asset groups as follows:

- Net assets without donor restrictions – the portion of the organization's net assets that is not subject to donor-imposed restrictions
- Net assets with donor restrictions – the portion of the organization's net assets that is subject to donor-imposed restrictions

A donor-imposed restriction is a stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the nature of the organization, the environment in which it operates, or its mission. A donor-imposed restriction may be temporary or permanent. Temporary restrictions may be fulfilled by actions of the organization to meet stipulations or be fulfilled by the passage of time. Permanent restrictions stipulate that the resources must be maintained in perpetuity.

4. New Accounting Pronouncements

During the Organization's fiscal year ending June 30, 2020, the Organization adopted ASU 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*, as well as ASU 2014-09, *Revenue from Contracts with Customers*. The Organization adopted ASU 2018-08 and 2014-09 using the retrospective method. The adoption of these standards did not result in significant changes to the Organization's accounting policies or impact its financial position, results of operations or cash flows. As such, prior period financial statements were not restated and there was no cumulative effect adjustment upon adoption.

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

5. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

6. CBC Receivable

The State of Florida's Child Welfare System operates through Community-Based Care (CBC) organizations, lead agencies throughout the state. The CBCs, or lead agencies, contract with various providers to ensure foster children receive necessary services. As a residential provider, A Kid's Place of Tampa Bay, Inc., contracts with CBCs and is funded based on a daily rate for each child in its care. The Organization invoices the CBCs monthly and considers such amounts to be fully collectable; accordingly, no allowance for doubtful accounts is required.

7. Contributions Receivable

Contributions receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions that are expected to be collected in future years are recorded as contributions receivable at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. An allowance for uncollectible contributions is provided based upon management's judgement, including such factors as prior collection history, contribution type and nature of the fundraising activity. Management has determined that contributions receivable are fully collectable at June 30, 2020 and 2019; accordingly no allowance was determined to be necessary.

8. Investments

Investments held by the Organization includes cash and money market balances, equity securities, fixed income and non-traditional funds. The investments are reported at their fair values in the Statement of Financial Position. Investment income or loss (including gains or losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

9. Beneficial Interest in Assets Held by Others

The Organization has transferred assets to a community foundation which holds funds for its benefit. When a nonprofit transfers assets to a charitable trust or community foundation in which the resource provider names itself as beneficiary, the economic benefit of the transferred asset remains with the resource provider. The asset received in exchange is a beneficial interest in assets held by others, measured at the fair value of the asset contributed.

10. Income Taxes

A Kid's Place of Tampa Bay, Inc. is exempt from income taxes under Internal Revenue Code Section 501 (c)(3) and qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and is not considered a private foundation. Accordingly, no provision or benefit for income taxes has been reflected in the accompanying consolidated financial statements. Management is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty or would jeopardize its tax-exempt status. Tax years after June 30, 2016 remain subject to examination by taxing authorities.

A Kid's Place Children's Program, LLC, AKP 1813, LLC, AKP 1715, LLC, AKP 1339, LLC and AKP Support, LLC are single member limited liability corporations and are disregarded entities for tax reporting purposes. All of their net income or loss is passed through to A Kid's Place of Tampa Bay, Inc. in fulfillment of its mission.

11. Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

12. Revenue and Expense Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recorded as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions whose restrictions are met in the same reporting period are treated as unrestricted.

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

13. In-Kind Contributions

Donated goods and services are reflected in the accompanying consolidated financial statements at their fair value when an objective basis is available to measure such goods and services. For donated goods and services for which no objective basis is available to measure the value, no such contributions are reflected. A substantial number of volunteers have donated significant amounts of time to the Organization's programs and operations that are not reflected in the accompanying consolidated financial statements, as they do not meet the requirements of accounting principles generally accepted in the United States of America.

14. Advertising Costs

The Organization's policy is to expense advertising and marketing costs as incurred.

15. Functional Allocation of Expenses

The costs of providing the Organization's programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited, as shown in the consolidated statements of functional expenses. A portion of costs that benefit multiple areas are allocated on the basis of employee time and effort or other allocable bases.

16. Reclassification

Certain amounts previously reported in the financial statements for the prior year have been reclassified in order for them to be in conformity with the current year presentation.

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE B - LIQUIDITY

The Organization's financial assets available within one year of the date of the consolidated financial statements of financial position for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 859,932	\$ 451,220
Pledges receivable	29,301	34,022
Accounts receivable	193,468	190,670
Beneficial interest in assets held by others	<u>333,541</u>	<u>317,686</u>
 Total financial assets available within one year	 1,416,242	 993,598
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	334,571	335,863
Restricted by time	<u>23,301</u>	<u>19,417</u>
Total amounts unavailable for general expenditures within one year	<u>357,872</u>	<u>355,280</u>
 Total financial assets available to management for expenditure within one year	 <u>\$ 1,058,370</u>	 <u>\$ 638,318</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's investments are considered to be long term in nature however are available for expenditure subject to approval from management.

NOTE C - CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized and due as follows at June 30,:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 6,000	\$ 14,605
One to five years	<u>24,000</u>	<u>20,000</u>
Total gross contributions receivable	30,000	34,605
Less discount (effective rate of 3%)	<u>(699)</u>	<u>(583)</u>
 Net contributions receivable	 <u>\$ 29,301</u>	 <u>\$ 34,022</u>

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE D - INVESTMENTS

Investments consisted of the following at June 30,:

	<u>2020</u>	<u>2019</u>
Cash and money market funds	\$ 16,504	\$ 11,073
Equities	611,967	662,088
Fixed Income	372,117	296,740
Non-traditional funds	<u>106,032</u>	<u>102,312</u>
	<u>\$ 1,106,620</u>	<u>\$ 1,072,213</u>

NOTE E - LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment are valued at cost at the acquisition date and fair value at the date of donation. Assets are capitalized when the purchase price or estimated fair value exceeds \$5,000 and the estimated useful life is more than one year. Depreciation is computed on the straight-line method based upon the estimated useful lives ranging from three to thirty-nine years. Depreciation expense was \$155,804 and \$142,851 for the years ended June 30, 2020 and 2019, respectively.

Land, buildings, and equipment consist of the following at June 30,:

	<u>2020</u>	<u>2019</u>
Land	\$ 684,790	\$ 684,790
Buildings	4,571,469	4,471,834
Vehicles	151,262	151,262
Office equipment	28,738	-
Playground equipment	23,317	16,522
Storage unit	-	9,303
Leasehold Improvements	78,499	144,224
Construction in progress	<u>6,795</u>	<u>6,795</u>
	5,544,870	5,484,730
Less accumulated depreciation	<u>(1,509,085)</u>	<u>(1,362,586)</u>
	<u>\$ 4,035,785</u>	<u>\$ 4,122,144</u>

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE F - COMMITMENTS AND CONTINGENCIES

Certain funding agencies reserve the right to examine records by terms of the Organization's contracts. In the event there is a determination on non-qualifying expenditures for which a payment has been made, the funding agency may demand a refund for the appropriate amount. Management of the Organization does not anticipate adjustments to be made for completed contracts closed out as of June 30, 2020 and 2019. Accordingly, no provision for such a liability has been made in the accompanying consolidated financial statements.

NOTE G - RETIREMENT PLAN

The Organization sponsors a profit sharing plan under the provisions of Section 401(k) of the Internal Revenue Code. The Plan covers all eligible employees and the Organization may provide a discretionary contribution to the employee deferral account. The Organization provided discretionary contributions of approximately \$23,000 and \$17,000 for the years ended June 30, 2020 and 2019, respectively.

NOTE H - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, grants receivable, gift cards and prepaid expenses. The Organization manages its risk with cash and cash equivalents through the use of high credit worthy financial institutions. All cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2020 and 2019 respectively, approximately \$607,000 and \$201,000 of cash and cash equivalents are not insured. The Organization has not experienced any losses from its deposits.

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations, that may become undesignated by the passage of time, or that require net assets to be maintained in perpetuity.

At June 30, 2020 and 2019, net assets with time and purpose restrictions were \$24,331 and \$37,594, respectively. At June 30, 2020 and 2019, donor restrictions in perpetuity consist of an Endowment Fund with a balance of \$333,541 and \$317,686, respectively. Net assets released from donor restriction were \$24,404 and \$49,651 for the years ended June 30, 2020 and 2019, respectively.

NOTE J - ENDOWMENT NET ASSETS

In accordance with FASB ASC 958-205-50 *"Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures of All Endowment Funds,"* the Organization has established a permanently restricted endowment fund. This fund is invested in accordance with the investment policy of the Organization.

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE J - ENDOWMENT NET ASSETS - Continued

Changes in the endowment's net assets are as follows for the years ended June 30, 2020 and 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets at June 30, 2019	\$ -	\$ 319,111	\$ 319,111
Endowment contributions	-	-	-
Endowment distributions	-	(11,934)	(11,934)
Interest and dividends	-	3,308	3,308
Realized and unrealized gain on investments	-	7,201	7,201
	<u>-</u>	<u>7,201</u>	<u>7,201</u>
Endowment net assets at June 30, 2020	-	317,686	317,686
Endowment contributions	-	20,000	20,000
Endowment distributions	-	(6,112)	(6,112)
Interest and dividends	-	2,662	2,662
Realized and unrealized gain on investment	-	(695)	-
	<u>-</u>	<u>(695)</u>	<u>(695)</u>
Endowment net assets at June 30, 2020	<u>\$ -</u>	<u>\$ 333,541</u>	<u>\$ 333,541</u>

NOTE K - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board *Accounting Standards Codification* 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement), a middle priority to quoted prices for similar assets or liabilities (level 2 measurements), and the lowest priority to unobservable inputs (level 3 measurements).

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

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE K - FAIR VALUE MEASUREMENTS - Continued

Following is a description of the valuation methodologies used for significant assets measured at fair value at June 30, 2020 and 2019:

Beneficial interest in assets held by others: Consists of funds held by a community foundation. The beneficial interest is not actively traded and significant other observable inputs are not available. Thus, the fair value is equal to the value reported by the trustee.

Equities and commodities: Comprised of common stock and securities valued at the closing price reported in the active market in which the individual securities are traded.

Non-traditional and fixed income funds: Valued at the net asset value (NAV) of shares held at year end.

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

The following table presents financial assets measured at fair value on a recurring basis as of June 30, 2020:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Beneficial interest in assets held by others	\$ 333,541	\$ -	\$ -	\$ 333,541
Cash and money market funds	16,504	16,504	-	-
Equities and commodities	611,967	611,967	-	-
Fixed income funds	372,117	372,117	-	-
Non-traditional funds	106,032	106,032	-	-
Total	<u>\$ 1,440,161</u>	<u>\$ 1,106,620</u>	<u>\$ -</u>	<u>\$ 333,541</u>

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE K - FAIR VALUE MEASUREMENTS - Continued

The following table presents financial assets measured at fair value on a recurring basis as of June 30, 2019:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Beneficial interest in assets held by others	\$ 317,686	\$ -	\$ -	\$ 317,686
Cash and money market funds	11,073	11,073	-	-
Equities and commodities	662,088	662,088	-	-
Fixed income funds	296,740	296,740	-	-
Non-traditional funds	102,312	102,312	-	-
Total	<u>\$ 1,389,899</u>	<u>\$ 1,072,213</u>	<u>\$ -</u>	<u>\$ 317,686</u>

The following illustrates a roll forward for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the years ended June 30, 2020 and 2019:

<u>Assets</u>	
Beneficial interest in assets held by others at June 30, 2018	\$ 319,111
Additions	-
Investment income	3,308
Realized and unrealized gains (losses)	7,201
Distributions	<u>(11,934)</u>
Beneficial interest in assets held by others at June 30, 2019	317,686
Additions	20,000
Investment income	2,662
Realized and unrealized gains (losses)	(695)
Distributions	<u>(6,112)</u>
Beneficial interest in assets held by others at June 30, 2020	<u>\$ 333,541</u>

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE L - NOTE PAYABLE - PPP LOAN

In April 2020, the Organization received a \$512,400 U.S. Small Business Administration (SBA) Paycheck Protection Program ("PPP") loan for companies who continued to pay their employees during the COVID-19 crisis (see also note M). The Organization can apply for loan forgiveness for the amount used for payroll and other specific costs outlined in the loan agreement following receipt of loan proceeds. The Organization plans to file for forgiveness in accordance with the terms of the agreement and anticipates a significant portion being forgiven. Any debt not forgiven, or loan proceeds not returned, will turn into a term loan payable at 1% interest over two years.

NOTE M - RISK AND UNCERTAINTIES

In March 2020, The United States and global financial markets experienced significant volatility resulting from uncertainty caused by the world-wide coronavirus pandemic (COVID-19). General economic uncertainties have arisen that may impact the future cash flows and changes in net assets as a result of the pandemic. The related financial impact cannot be reasonable estimated at this time.

NOTE N - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2020 as of December 14, 2020, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

A Kid's Place of Tampa Bay, Inc. and Subsidiaries
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2020

Federal Program Title	Pass-through Entity Identifying Number	CFDA	Pass-through Subrecipients	Expenditures
U.S. Department of Health and Human Services				
<u>Indirect Awards</u>				
Passed-through Florida Department of Children and Families				
Passed-through Eckerd Youth Alternatives, Inc.				
Foster Care-Title IV-E	ECA-C13-RGC-AKP-FY21	93.658	\$ -	\$ 629,565
Total CFDA #93.658			<u>-</u>	<u>629,565</u>
Passed-through Eckerd Youth Alternatives, Inc.				
Social Services Block Grant	ECA-C13-RGC-AKP-FY21	93.667	-	223,740
Total CFDA # 93.667			<u>-</u>	<u>223,740</u>
Total expenditures of federal awards			<u>\$ -</u>	<u>\$ 853,305</u>

The accompanying notes are an integral part of this schedule.

A Kid's Place of Tampa Bay, Inc. and Subsidiaries

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of A Kid's Place of Tampa Bay, Inc. and Subsidiaries and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types are not allowable or are limited as to reimbursement. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE C - INDIRECT COST RATE

The Organization has elected to use the 10-percent de minimis indirect cost rate under the Uniform Guidance.

NOTE D - CONTINGENCIES

These federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect the Organization's continued participation in specific programs. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

NOTE E - STATE MATCHING FUNDS FOR FEDERAL PROGRAMS

State funds awarded to the Organization as matching funds for federal programs consisted of the following:

Federal Program Matched by State Awards	State Contract #	Expenditures
Foster Care-Title IV-E	ECA-C13-RGC-AKP-FY21	\$ 1,569,975
		<u>\$ 1,569,975</u>

These expenditures are not subject to the Florida Single Audit Act.

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

A KID'S PLACE OF TAMPA BAY, INC. AND SUBSIDIARIES

June 30, 2020



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

Board of Directors
 A Kid's Place of Tampa Bay, Inc. and Subsidiaries

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 consolidated financial statements of A Kid's Place of Tampa Bay, Inc. and Subsidiaries (the "Organization"), which are comprised of the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 14, 2020.

Internal Control Over Financial Reporting

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

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

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



Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Benicio, Gardner & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida
December 14, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

A KID'S PLACE OF TAMPA BAY, INC. AND SUBSIDIARIES

June 30, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
 FOR EACH MAJOR FEDERAL PROGRAM AND ON
 INTERNAL CONTROL OVER COMPLIANCE
 REQUIRED BY UNIFORM GUIDANCE**

Board of Directors
 A Kid's Place of Tampa Bay, Inc. and Subsidiaries

Report on Compliance for Each Major Federal Program

We have audited A Kid's Place of Tampa Bay, Inc. and Subsidiaries' (the "Organization's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.



Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

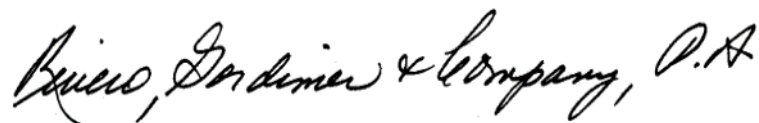
Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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



purpose.
Tampa, Florida
December 14, 2020

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
A KID'S PLACE OF TAMPA BAY, INC. AND SUBSIDIARIES
June 30, 2020

A Kid's Place of Tampa Bay, Inc. and Subsidiaries
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting	
Material weakness(es) identified?	___ yes <u> X </u> no
Significant deficiency(ies) identified	___ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	___ yes <u> X </u> no

Federal Award Programs

Internal control over major programs/projects	
Material weakness(es) identified?	___ yes <u> X </u> no
Significant deficiency(ies) identified	___ yes <u> X </u> none reported
Type of auditors' report issued on compliance for major programs/projects	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)	___ yes <u> X </u> no

Identification of major programs:

Federal

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.658	Foster Care - Title IV-E

Dollar threshold used to distinguish between type A and type B federal programs	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee	<u> X </u> yes ___ no

Section II - Financial Statement Findings

No matters were reported for the year ended June 30, 2020 and no matters were reported for the prior year. Accordingly, a corrective action plan is not required.

Section III - Federal Award Findings and Questioned Costs

No matters were reported for the year ended June 30, 2020 and no matters were reported for the prior year. Accordingly, a summary of prior year financial audit findings is not presented.

Section IV - Other Issues

No summary schedule of prior year audit findings is required because there were no prior year audit findings related to federal programs.