

FOR THE CHILDREN INC.

INDEPENDENT AUDITOR'S REPORT
&
FINANCIAL STATEMENTS

For The Year Ended December 31, 2018

DANIEL J. ALLEGRETTI, CPA, P.A.

Certified Public Accountant

FOR THE CHILDREN INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
For The Children Inc.
Lake Worth, FL

I have audited the accompanying financial statements of For The Children Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of For The Children Inc., as of December 31, 2018, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* , I have also issued my report dated April 18, 2019, on my consideration of For The Children, Inc.'s internal control over financial reporting and on my 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 my 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 For The Children Inc.'s internal control over financial reporting and compliance.

DANIEL J. ALLEGRETTI, CPA, P.A.

Palm Beach Gardens, FL
April 18, 2019

FOR THE CHILDREN INC.
Statement of Financial Position
As of December 31, 2018

ASSETS

Cash and cash equivalents	\$	911,427
Short-term investments - other		354,839
Accounts receivable		31,140
Contributions receivable		89,338
Prepaid expenses and other assets		13,867
Property and equipment, net		<u>49,247</u>
TOTAL ASSETS	\$	<u><u>1,449,858</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$	10,998
Accrued expenses		6,551
Deferred revenue		<u>7,076</u>
Total Liabilities		<u>24,625</u>
Net Assets:		
Without donor restrictions:		
Board designated for building project	\$	946,750
Board designated for emergency fund		101,635
Undesignated available for general use		337,439
With donor restrictions		<u>39,409</u>
Total Net Assets		<u>1,425,233</u>
TOTAL LIABILITIES & NET ASSETS	\$	<u><u>1,449,858</u></u>

See accompanying notes to financial statements.

FOR THE CHILDREN INC.
Statement of Activities
Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT & REVENUE			
Grants and contributions	\$ 560,290	\$ 36,409	\$ 596,699
Program service fees	480,588	-	480,588
In-kind donations	241,310	-	241,310
Special events	24,035	-	24,035
Other revenue	6,757	-	6,757
Interest income	4,616	-	4,616
Net assets released from restrictions	32,409	(32,409)	-
	<u>1,350,005</u>	<u>4,000</u>	<u>1,354,005</u>
EXPENSES			
Program services:			
Youth programs	\$ 442,937	\$ -	\$ 442,937
Teen programs	308,172	-	308,172
Early learning	244,472	-	244,472
Community wellness	236,147	-	236,147
Supporting activities:			
Management and general	51,892	-	51,892
Fundraising expenses	10,941	-	10,941
	<u>1,294,561</u>	<u>-</u>	<u>1,294,561</u>
	<u>\$ 55,444</u>	<u>\$ 4,000</u>	<u>\$ 59,444</u>
CHANGES IN TOTAL NET ASSETS			
Increase in net assets	\$ 55,444	\$ 4,000	\$ 59,444
Net assets, beginning of year	<u>1,330,380</u>	<u>35,409</u>	<u>1,365,789</u>
	<u>\$ 1,385,824</u>	<u>\$ 39,409</u>	<u>\$ 1,425,233</u>

See accompanying notes to financial statements.

FOR THE CHILDREN INC.
Statement of Functional Expenses
Year Ended December 31, 2018

	PROGRAM SERVICES				SUPPORTING ACTIVITIES		Total Expenses
	Youth Programs	Teen Programs	Early Learning	Community Wellness	Management and General	Fundraising	
Salaries and wages	\$ 181,807	\$ 151,361	\$ 118,326	\$ 166,188	\$ 30,079	\$ 2,842	\$ 650,603
Payroll taxes	15,029	12,744	9,909	12,850	2,300	217	53,049
Employee benefits	3,711	1,910	1,649	1,673	1,236	-	10,179
Total Payroll expenses	<u>\$ 200,547</u>	<u>\$ 166,015</u>	<u>\$ 129,884</u>	<u>\$ 180,711</u>	<u>\$ 33,615</u>	<u>\$ 3,059</u>	<u>\$ 713,831</u>
Building rent	100,000	32,400	37,800	18,900	4,200	-	193,300
Professional fees	9,703	39,420	12,526	11,259	3,241	359	76,508
Food service and supplies	58,058	8,574	7,097	1,018	162	15	74,924
Communications and utilities	7,906	2,532	22,089	4,435	2,455	-	39,417
Building maintenance	22,497	4,694	8,579	1,008	1,391	-	38,169
Insurance expense	6,750	10,002	5,807	13,624	645	-	36,828
Sponsored events and activities	19,142	10,488	250	-	-	5,671	35,551
Transportation and travel	3,733	18,180	-	-	-	146	22,059
Program supplies	4,540	5,307	3,981	1,528	727	818	16,901
Depreciation expense	680	1,800	8,190	924	2,919	-	14,513
Printing and supplies	3,234	3,138	1,350	338	-	786	8,846
Dues and subscriptions	2,650	-	2,465	-	739	-	5,854
Office expenses	945	-	2,649	1,707	294	-	5,595
Training and development	339	2,470	1,040	-	450	-	4,299
Background checks	1,000	1,667	367	57	114	-	3,205
Miscellaneous	841	1,445	-	50	430	-	2,766
Equipment rental/maintenance	372	40	398	588	-	-	1,398
Merchant and bank fees	-	-	-	-	510	87	597
Total Expenses	<u><u>\$ 442,937</u></u>	<u><u>\$ 308,172</u></u>	<u><u>\$ 244,472</u></u>	<u><u>\$ 236,147</u></u>	<u><u>\$ 51,892</u></u>	<u><u>\$ 10,941</u></u>	<u><u>\$ 1,294,561</u></u>

See accompanying notes to financial statements.

FOR THE CHILDREN INC.
Statement of Cash Flows
Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from grants and contributions	\$ 593,287
Cash received from program service fees	484,113
Cash received from fundraising events	24,035
Cash received from other revenue	6,757
Interest received in savings accounts	1,499
Cash paid to employees and vendors	<u>(1,033,143)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>76,548</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisitions of property and equipment	(4,559)
Investments in certificates of deposit	<u>(250,000)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(254,559)</u>

Net decrease in cash and cash equivalents	\$ (178,011)
Cash and cash equivalents, beginning of year	<u>1,089,438</u>
Cash and cash equivalents, end of year	<u><u>\$ 911,427</u></u>

See accompanying notes to financial statements.

FOR THE CHILDREN INC.
Notes to Financial Statements
December 31, 2018

NOTE 1 – NATURE OF ORGANIZATION’S ACTIVITIES

For The Children Inc. (“For The Children”) is a Florida Not For Profit Corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, which provides educational, recreational, and developmental programs for children. The primary activities of its programs focus on afterschool care, youth empowerment, early childhood education, and family counseling.

Youth Programs

The Youth Zone ensures children, ages 5-12, can effectively transition from elementary to middle school. Programs are designed to ensure youth are meeting their academic goals and understand what is required of them as they enter this period of adolescence. The programs offer homework assistance, literacy activities, and various recreational activities through partnerships with state and local government agencies. Funding is provided primarily by the Early Learning Coalition of Palm Beach County and use of facilities donated from The School District of Palm Beach County.

Teen Programs

The Teen Zone serves children, ages 10-18, and consists primarily of the Youth Empowerment Center (YEC) and Teen Learning Center (TLC). The programs offer homework assistance, small group tutoring in reading and math, FCAT, ACT/SAT exam preparation, teen council/leadership development, arts programs, organized physical activities, and recreational activities through partnerships with local government and nonprofit agencies. Funding is provided through grants from the Palm Beach County Youth Services Department, the United Way of Palm Beach County, and use of facilities donated from The School District of Palm Beach County.

Early Learning

The Kids Zone is designed to ensure our children are socially, emotionally, and academically prepared to enter kindergarten. Our programs allow them to explore the worlds of art, music, math, science, and languages in a safe, nurturing environment through partnerships with state and local government agencies. Funding is provided by the Early Learning Coalition of Palm Beach County and use of facilities donated from The City of Lake Worth.

Community Wellness

The Children Community Wellness Center educates parents about child development issues and the importance of being involved in their child's education. Our counselors assist families with child development, child-rearing, family planning, violence in the home, drug and alcohol abuse, and other behavioral issues. Funding is provided by the Palm Beach County Community Services Department.

FOR THE CHILDREN INC.
Notes to Financial Statements
December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting & Presentation

For The Children's financial statements have been prepared using accrual basis accounting in accordance with generally accepted accounting principles (US GAAP). For The Children reports information regarding its activities and financial position according to separate classes of net assets based on the existence or absence of donor-imposed restrictions: Net assets **without donor restrictions** are resources that management and the governing board has discretion to use in operations. Net assets **with donor restrictions** are financial resources expendable only for purposes or future periods specified by the donor.

(b) Cash and Cash Equivalents

For The Children's cash balance consists of deposit accounts at FDIC-insured banks. For the purpose of financial statement presentation, money market funds or short-term investments with original maturities of three months or less are considered cash equivalents.

(c) Short-term Investments - other

Short-term investments are certificates of deposit held at FDIC-insured commercial banks that have original maturities of greater than three months. The certificates of deposit are valued at amortized cost but do not meet the definition of securities per FASB ASC 320.

(d) Accounts Receivable

Accounts receivable represent program services provided for which payment has not been received. The amount recorded equals uncollected balances less an allowance for doubtful accounts that management estimates based on past experience that affects collectability.

(e) Contributions Receivable

Contributions receivable represent unconditional promises to give recorded at net realizable value in the period awarded, which are expected to be collected within one year. Conditional promises to give are not recognized as support until the conditions are met in accordance with terms of the award.

(f) Prepaid Expenses & Other Assets

Expenditures paid in advance are recorded as prepaid expenses until those expenses have been incurred in the following accounting period.

(g) Property & Equipment

Acquisitions of property and equipment \$500 or higher with useful lives expected to exceed one year are capitalized. Purchased assets are recorded at cost and donated assets are recorded at approximate fair market value. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets (3 to 10 years).

FOR THE CHILDREN INC.
Notes to Financial Statements
December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Accounts Payable & Accrued Expenses

Accounts payable consists of expenses invoiced by vendors that are outstanding at the end of the accounting period. Accrued expenses for payroll liabilities and operating expenses are incurred during the accounting period but not payable until the following fiscal year.

(i) Contributions and Grants

Contributions received are reported without donor restrictions if available for unrestricted use by the organization. Contributions received are reported with donor restrictions if restricted for specific purposes or future periods. If the restriction is fulfilled within the same reporting period as the contribution received, the amount is recorded without donor restrictions. Prior year balances of net assets with donor restrictions are reclassified to net assets released from restrictions in the Statement of Activities when donor restrictions have been satisfied.

(j) Program Service Fees

Program service fees received for early childhood education and afterschool are recorded when the related services have been provided in accordance with terms of the contract.

(k) In-kind Donations

For The Children recognizes in-kind contributions of food, use of facilities, and services based on the estimated fair value. Donated services are recognized if the services provided require specialized skills, performed by individuals who possess those skills, and would be purchased if not otherwise donated.

(l) Functional Classification of Expenses

In the Statement of Activities, expenses are reported as either program services or supporting activities. Program services are expenses incurred for the primary activities that fulfill For The Children's mission. Supporting activities include administrative and fundraising expenses not directly identifiable as program services.

For The Children allocates indirect costs between program services and supporting activities for expenses not directly identifiable with either function. Salaries, benefits, and payroll taxes of officers and administrative personnel are allocated based on time and effort. Building rent, maintenance, communications, and utilities incurred at the Osborne School are allocated to program services or supporting activities based on square footage.

(m) Income Taxes

For The Children is exempt from federal income tax under IRC Section 501(c)(3). For the year ended December 31, 2018, there were no activities that require recognition or disclosure in the financial statements of material uncertain tax positions for tax liabilities from unrelated business taxable income.

FOR THE CHILDREN INC.
Notes to Financial Statements
December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates based on assumptions that affect specific reported amounts and disclosures. Significant estimates include the allowance for doubtful accounts, depreciable lives of property and equipment, functional allocation of expenses, and in-kind donations. Actual results could differ from those estimates.

(o) Recent Accounting Pronouncement

Effective for fiscal years beginning after December 15, 2017, FASB has issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, which updates US GAAP for not-for-profit organizations. The update is designed to improve the understandability of net asset classification and provide information about the liquidity and availability of financial resources. For The Children has implemented the guidance provided by ASU 2016-14 to update the presentation of the financial statements.

NOTE 3 - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following schedule reflects For The Children's financial assets as of December 31, 2018, reduced by amounts not available for general expenditure within one year of the Statement of Financial Position date due to Board designations, donor-imposed restrictions, and legal or contractual limitations:

Financial assets:	
Cash and cash equivalents	\$ 911,427
Short-term investments - other	354,839
Contributions and accounts receivable	<u>120,478</u>
Total financial assets	\$ 1,386,744
Less amounts unavailable for general use:	
Board designated net assets for building project	(946,750)
Board designated net assets for emergency fund	(101,635)
Donor-restricted for specified program expenses	<u>(39,409)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 298,950</u></u>

For The Children's liquidity management generally maintains financial assets to meet a minimum 90 days of general expenditures in an operating bank account. Excess cash is deposited in savings accounts and certificates of deposit. The Board of Directors occasionally will designate a portion of an operating surplus to fund its building project or emergency reserve. In the event of unanticipated cash needs, the organization could borrow up to \$110,000 from an available line of credit (Note 11).

FOR THE CHILDREN INC.
Notes to Financial Statements
December 31, 2018

NOTE 4 – CONCENTRATIONS OF CREDIT RISK

For The Children's cash deposits have been placed with high credit financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each bank. During the year, the total balance at a financial institution may exceed insured limits. The organization has not experienced, nor does it anticipate, any losses with respect to its deposit accounts.

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable, less an allowance for doubtful accounts of \$7,332, for the year ended December 31, 2018, was from the following sources:

Early Learning Coalition of Palm Beach County	\$	19,620
Parent Fees		18,852
Subtotal	\$	<u>38,472</u>
Allowance for doubtful accounts		<u>(7,332)</u>
Accounts receivable, net	\$	<u><u>31,140</u></u>

NOTE 6 – CONTRIBUTIONS RECEIVABLE

As of December 31, 2018, contributions receivable are governmental grants in the amount of \$56,929 and unconditional promises to give of \$32,409 restricted for specified programmatic expenses to be incurred next fiscal year. The organization expects to fully collect the contributions within one year.

NOTE 7 – PROPERTY & EQUIPMENT

As of December 31, 2018, the organization's property and equipment consisted of the following major classes of depreciable assets. Depreciation expense recorded for the year ended December 31, 2018, totaled \$14,513.

Property and Equipment:		
Land	\$	16,775
Construction in Progress		13,617
Leasehold Improvements		131,426
Computers and Equipment		124,223
Vehicles		116,575
Subtotal	\$	<u>402,616</u>
Less: Accumulated depreciation		<u>(353,369)</u>
Property and equipment, net	\$	<u><u>49,247</u></u>

FOR THE CHILDREN INC.
Notes to Financial Statements
December 31, 2018

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

For the year ended December 31, 2018, net assets *with donor restrictions* were available to be used for the following specified purposes:

	12/31/2017	Increases	Releases	12/31/2018
Youth Empowerment Center	32,409	32,409	(32,409)	32,409
Achieve PBC Mentoring	-	4,000	-	4,000
Painting of Unity Wall	3,000	-	-	3,000
Total	\$ 35,409	36,409	(32,409)	\$ 39,409

NOTE 9 – DONATED SERVICES AND FOOD

For the year ended December 31, 2018, the estimated value of donated services received for teaching, tutoring, and counseling totaled \$13,500. The estimated value of food donated for its programs totaled \$53,410. In the accompanying Statement of Activities, donated services and food are recorded as in-kind donations, professional fees, and food service.

NOTE 10 – CONCENTRATIONS OF SUPPORT & REVENUE

For The Children's primary sources of support and revenue are grants from governmental agencies and service payments from the Early Learning Coalition of Palm Beach County. For the year ended December 31, 2018, the percentage of support and revenue received was 33% from governmental agencies and 18% from the Early Learning Coalition of Palm Beach County.

NOTE 11 – LINE OF CREDIT

On February 1, 2013, For the Children obtained a line of credit with a \$110,000 limit that is secured by the organization's assets and bears an interest rate of .600 percentage points over the lender's prime rate. As of December 31, 2018, the line of credit balance was \$0. The line of credit has been renewed and will mature on February 1, 2020.

NOTE 12 – EMPLOYEE BENEFIT PLAN

For The Children established a Savings Incentive Match Plan ("SIMPLE") IRA for all employees who are eligible after completing two consecutive years of employment. The organization matches employees dollar-for-dollar up to 2% of their salary-reduction contributions. Matching contributions paid by the organization to the SIMPLE plan were \$5,092 for the year ended December 31, 2018.

FOR THE CHILDREN INC.
Notes to Financial Statements
December 31, 2018

NOTE 13 – OPERATING LEASES

On July 26, 2010, For The Children entered into an agreement with the City of Lake Worth, authorized by Lake Worth Ordinance 2008-17, to lease the historic Osborne School and adjacent land located at 1718 South Douglas Street in Lake Worth, Florida for a term of 99 years. Use of the premises is for the sole purpose of educational, recreational, counseling, and family support services; the vacant portion shall be developed by the Organization to operate an educational and recreational center available for use by members of nearby communities and the general public. The lease is \$12 plus tax annually and cancelable by either party upon 30 days written notice. For The Children recognizes the fair rental value of use of facilities that exceeds lease payments as in-kind donations and building rent of \$42,000 for the year ended December 31, 2018.

On September 30, 2004, the organization entered into a memorandum of understanding with the School Board of Palm Beach County on behalf of Barton Elementary School to establish a partnership to provide educational, recreational, health, and human services to the residents of all ages in the local community. As part of the agreement, approximately 7,700 square feet was provided for the operation of the program. In-kind donations and building rent of \$100,000 has been recorded for the fair rental value of the use of facilities for the year ended December 31, 2018.

The organization is provided use of facilities from the Palm Beach County Youth Services Department to operate the Youth Empowerment Center at 1701 Wingfield Street, Lake Worth, Florida. In addition, Lake Worth Community High School and South Intensive Transition School provide use of facilities for the Teen Learning Center. In-kind donations and building rent of \$32,400 has been recorded for the fair rental value of the use of facilities for the year ended December 31, 2018.

For The Children leases offices at 1712 South Dixie Highway, in Lake Worth, Florida to provide family counseling services for the Children Community Wellness Center. Building rent was \$18,900 for the year ended December 31, 2018. The future minimum lease payments are as follows:

Year ending December 31, 2019	18,720
Total Future Minimum Lease Payments	\$ 18,720

NOTE 14 – CONTINGENCIES

For The Children receives funding that requires compliance with the terms and conditions specified in contracts and agreements. Compliance with those terms and conditions are subject to audits that could result in claims against the organization for disallowed costs. There are no material instances of noncompliance that require recognition or disclosure of liabilities in the financial statements.

NOTE 15 – SUBSEQUENT EVENTS

In preparing the financial statements, For The Children evaluated events and transactions for potential recognition or disclosure through April 18, 2019, the date which the financial statements were available to be issued.

**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
For The Children Inc.
Lake Worth, FL

I 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 For The Children Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, 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 my report thereon dated April 18, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered For The Children 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of For The Children Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of For The Children 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 For The Children Inc.'s financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of For The Children 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 For The Children Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DANIEL I. ALLEGRETTI, CPA, P.A.

Palm Beach Gardens, FL

April 18, 2019