

THE FAMILY HEALTHCARE FOUNDATION, INC.

**Financial Statements, Supplementary Financial Information
and Reports as Required by the Comptroller General
of the United States and Uniform Guidance**

December 31, 2023

JEANETTE EDWARDS, C.P.A., L.L.C.

THE FAMILY HEALTHCARE FOUNDATION, INC.

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Independent Auditor's Report

To the Board of Directors of
The Family Healthcare Foundation, Inc.
Tampa, Florida

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of The Family Healthcare Foundation, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 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 my opinion, the financial statements present fairly, in all material respects, the financial position of The Family Healthcare Foundation, Inc. as of December 31, 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

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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of The Family Healthcare Foundation, Inc. and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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 The Family Healthcare Foundation, 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

My 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 my 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, misrepresentation, 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*, I:

- 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 The Family Healthcare Foundation 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Family Healthcare Foundation Inc's ability to continue as a going concern for a reasonable period of time.


I am 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 I identify during the audit.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 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 my opinion, the schedule of expenditures of federal awards 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*, I have also issued a report dated May 20, 2024 on my consideration of The Family Healthcare Foundation 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 solely 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 the effectiveness of The Family Healthcare Foundation 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 The Family Healthcare Foundation Inc's internal control over financial reporting and compliance.


Jeanette Edwards, CPA
Certified Public Accountant
May 20, 2024

THE FAMILY HEALTHCARE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023
(With Comparative Totals for 2022)

ASSETS	<u>2023</u>	<u>2022</u>
Current Assets		
Cash	\$ 83,089	\$ 99,761
Grants Receivable	722,277	489,989
Prepaid Expenses	<u>198</u>	<u>869</u>
Total Current Assets	<u>805,564</u>	<u>590,619</u>
TOTAL ASSETS	<u><u>\$ 805,564</u></u>	<u><u>\$ 590,619</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 189,307	\$ 99,801
Accrued Expenses/Contracts Payable	63,593	92,708
Accrued Payroll and Leave	44,064	34,110
Working Capital Loan	51,475	106,000
Line of Credit	<u>75,077</u>	<u>-</u>
Total Current Liabilities	<u>423,516</u>	<u>332,619</u>
TOTAL LIABILITIES	<u>423,516</u>	<u>332,619</u>
Net Assets		
With donor restrictions	8,456	-
Without donor restrictions	<u>373,592</u>	<u>258,000</u>
TOTAL NET ASSETS	<u>382,048</u>	<u>258,000</u>
 TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 805,564</u></u>	<u><u>\$ 590,619</u></u>

See Independent Auditor's Report
The accompanying notes are an integral part of these financial statements

THE FAMILY HEALTHCARE FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals of 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
SUPPORT AND REVENUE				
Support				
Contributions and Special Events	\$ 27,508	\$ 7,610	\$ 35,118	\$ 16,608
Total Support	<u>27,508</u>	<u>7,610</u>	<u>35,118</u>	<u>16,608</u>
Revenue				
USF Grant - Navigator Support	1,905,237	-	1,905,237	1,797,517
USF Grant - CHIP - Connecting Kids to Coverage	41,174	-	41,174	30,916
Hillsborough County Navigators Pilot Program	357,272	-	357,272	184,396
CB Connecting Grant	327,624	-	327,624	203,806
Florida Healthy Kids Corporation	50,000	-	50,000	55,000
PCHCP - Navigator	4,173	-	4,173	-
CB Tech Assist Grant	-	-	-	4,400
Hillsborough County - Community Foundation	-	-	-	9,115
Total Revenue	<u>2,685,480</u>	<u>-</u>	<u>2,685,480</u>	<u>2,285,150</u>
Net assets released from restrictions	-	-	-	-
Total Support and Revenue	<u>2,712,988</u>	<u>7,610</u>	<u>2,720,598</u>	<u>2,301,758</u>
EXPENSES				
Program Services	2,452,718	-	2,452,718	2,101,448
Management and General	143,832	-	143,832	94,763
Total Expenses	<u>2,596,550</u>	<u>-</u>	<u>2,596,550</u>	<u>2,196,211</u>
INCREASE (DECREASE) IN NET ASSETS	116,438	7,610	124,048	105,547
NET ASSETS AT BEGINNING OF YEAR	<u>257,154</u>	<u>846</u>	<u>258,000</u>	<u>152,453</u>
NET ASSETS AT END OF YEAR	<u>\$ 373,592</u>	<u>\$ 8,456</u>	<u>\$ 382,048</u>	<u>\$ 258,000</u>

See Independent Auditor's Report
The accompanying notes are an integral part of these financial statements

THE FAMILY HEALTHCARE FOUNDATION, INC
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals of 2022)

	Program Services			Supporting Services		
	USF Grant To Support Navigators	Other Grants	Total Program	Management & General	Total 2023	Total 2022
Personnel:						
Salaries and Wages	\$ 629,709	\$ 498,637	\$ 1,128,346	\$ 45,259	\$1,173,605	\$ 875,638
Payroll Taxes	47,634	36,886	84,520	2,689	87,209	66,635
Employee Benefits	67,511	45,009	112,520	11,128	123,648	91,234
Total Personnel	<u>744,854</u>	<u>580,532</u>	<u>1,325,386</u>	<u>59,076</u>	<u>1,384,462</u>	<u>1,033,507</u>
Communications	34,359	2,522	36,881	454	37,335	23,206
Fundraising expenses	-	-	-	15,372	15,372	-
Insurance	3,043	1,304	4,347	2,341	6,688	5,773
Occupancy	44,025	484	44,509	-	44,509	40,024
Office Expense/Supplies	34,200	25,799	59,999	14,074	74,073	43,624
Other Expenses	-	917	917	1,619	2,536	12,719
Outreach/Marketing	93,520	665	94,185	136	94,321	85,500
Professional Fees	36,711	-	36,711	37,193	73,904	63,924
Staff Training/Conf/Conven	-	1,962	1,962	13,134	15,096	9,247
Subcontractor/Subrecipients	790,415	15,000	805,415	-	805,415	847,688
Travel and Meetings	25,931	16,475	42,406	433	42,839	30,999
	<u>\$ 1,807,058</u>	<u>\$ 645,660</u>	<u>\$ 2,452,718</u>	<u>\$ 143,832</u>	<u>\$2,596,550</u>	<u>\$2,196,211</u>

See Independent Auditor's Report
The accompanying notes are an integral part of these financial statements

THE FAMILY HEALTHCARE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Increase (Decrease) in Net Assets	\$ 124,048	\$ 105,547
Adjustment to reconcile increase/(decrease) in net assets to net cash provided by/(used in) operating activities:		
Change in assets and liabilities:		
- (Increase)/Decrease in grants receivable/accrued receivable	(232,288)	(321,885)
- (Increase)/Decrease in accrued receivables	-	137,502
- (Increase)/Decrease in prepaid expenses	671	-
- Increase/(Decrease) in accounts payable and accrued liabilities	89,506	(19,794)
- Increase/(Decrease) in accrued expenses/contracts payable	(29,115)	42,731
- Increase/(Decrease) in accrued payroll and leave	9,954	7,197
Net cash provided by/(used in) operating activities	<u>(37,224)</u>	<u>(48,702)</u>
Cash flows from investing activities:		
Net cash used in investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
Proceeds from working capital loan	-	165,000
Proceeds from line of credit	75,077	113,083
Repayment of working capital loan	(54,525)	(59,000)
Repayment of line of credit	-	(113,083)
Net cash provided by/ (used in) financing activities	<u>20,552</u>	<u>106,000</u>
Net increase (decrease) in cash and cash equivalents	(16,672)	57,298
Cash and cash equivalents at beginning of year	<u>99,761</u>	<u>42,463</u>
Cash and cash equivalents at end of year	<u><u>\$ 83,089</u></u>	<u><u>\$ 99,761</u></u>

See Independent Auditor's Report
The accompanying notes are an integral part of these financial statements

THE FAMILY HEALTHCARE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 - Nature of Business

The Family Healthcare Foundation, Inc. (the Foundation) is a non-profit corporation organized under the laws of the State of Florida on June 19, 1998. The Foundation was formed to provide financial, educational and other community support to ensure that health and social services are made available to children residing in Hillsborough County, Florida and adjacent communities.

The Foundation's goal is to help achieve affordable, quality healthcare access for all. They support a network of providers and community partners in disseminating accurate information, providing assistance to families to enroll in the healthcare coverage options for which they are eligible, and creating referral processes so individuals and families are connected to appropriate healthcare services. They strive to minimize barriers and maximize resources to help achieve a healthier and more vibrant community.

Note 2 - Summary of Significant Accounting Policies

The financial statements of The Family Healthcare Foundation, Inc. have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the Foundation, the accounts are maintained in accordance with the principles of "fund accounting". Financial statement presentation follows the recommendation of the Financial Accounting Standards Board so that all of the net assets, revenues and expenses of the Foundation are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations or those net assets whose donor-imposed restrictions have expired. Voluntary designations of funds by the governing board are considered to be unrestricted.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions".

Revenue Recognition

The Foundation recognizes grants, contracts and contributions of cash or other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor's restriction expires, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restriction are released to net assets without donor restriction and reported in the statement of activities as net assets without donor restriction.

Contributions received with donor-imposed restrictions that may be met in the same year as the contribution, if any, are classified as unrestricted contributions. The Organization recognizes revenues from exchange transactions when the services are rendered.

The Foundation earns revenue from federal grants in the form of performance and expense reimbursement contracts. These revenues are subject to right of return if funds are not spent and also have other performance and/or control barriers that must be met to be entitled to the funds. For this reason, the Foundation's grant revenues are considered to be conditional and revenue is recognized as funds are utilized for programmatic activities specified in the grant agreement.

THE FAMILY HEALTHCARE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

Equipment

Equipment is recorded at cost. Equipment in excess of \$1,000 with an estimated useful life in excess of one year and betterments which materially extended the useful lives of assets are capitalized. Repairs and maintenance are charged to expense when incurred. Depreciation is computed for financial statement purposes on a straight-line basis over the estimated useful lives of the related assets.

Income Taxes

The Foundation is a tax-exempt Organization described in Section 501(c)(3) of the Internal Revenue Code of 1986. In addition, the Foundation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of section 509 (a) of the Code. Accordingly, income earned in furtherance of the Foundation's tax-exempt purpose is exempt from federal and state income taxes. No provision for federal or state income taxes has been included in the accompanying financial statements.

Donated Materials and Services

The Foundation reports donations of materials and services at their estimated values as revenues and expenses on the date of receipt. These items are measured at amounts comparable to costs which would be incurred to hire personnel, rent facilities or purchase items to accomplish similar objectives. Only those services which create or enhance non-financial assets or that require specialized skills, and are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded in the financial statements.

Allowance for Uncollectible Amounts

No allowance for uncollectible amounts has been provided since management considers all accounts receivable on the balance sheet date to be collectable. It is the policy of the Foundation to write off doubtful accounts directly to expense when determined to be uncollectible.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market funds. Cash equivalents is considered to be all highly liquid debt instruments with original maturities of three months or less.

Use of Estimates

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

Functional Allocation of Expenses

The costs of providing the various program and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited based on direct usage or management's estimate of the benefit derived by each activity.

Note 3 - Office Lease

The Foundation leases three office spaces and a storage unit from unrelated third parties. All leases are for terms less than one year. The Foundation has elected to apply the short-term lease exception to all leases with a term of one year or less. Costs associated with short-term leases approximated \$45,000 for the year ended December 31, 2023.

THE FAMILY HEALTHCARE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 4 - Commitments and Contingencies

The Foundation has participated in various grant programs. Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, management deems the contingency remote, since by accepting the grants and their terms, management and the board of directors have accommodated the objectives of the Foundation to the provisions of the grants. Any liability for reimbursement which may arise as the result of these conditions is not believed to be material.

Note 5 - Availability of Financial Assets

The following reflects The Family Healthcare Foundation, Inc.'s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Cash and cash equivalents	\$ 83,089
Grants Receivable	722,277
Contracts Payable	(63,593)
Financial Assets available to meet cash needs for general expenditures within one year.	<u>\$ 741,773</u>

The Family Healthcare Foundation is substantially supported by government grants which requires resources to be used in a particular manner or in a future period. The Family Healthcare Foundation, Inc.'s policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. There is also a Small Business Line of Credit established that may be drawn upon in the event of financial distress or an immediate liquidity need.

Note 6 - Working Capital Loan

During the fiscal year ending December 31, 2022, The Family Healthcare Foundation Inc ("Recipient") entered into a loan agreement with Tampa Bay Black Business Investment Corporation, Inc., a Florida nonprofit, ("Funder"). The parties agreed to a principal sum of \$165,000 and zero interest. The proceeds are to be used for working capital purposes.

The repayments of the loan began on April 20, 2022 and at year end the total balance due was \$51,475.

Note 7 - Line of Credit

The Foundation maintains a \$250,000 line of credit with a financial institution. The line of credit bears a variable interest rate of prime plus .082%. The outstanding balance on the line of credit at December 31, 2023 was \$75,077

Note 8 - Net Assets With Donor Restrictions

Net Assets With Donor Restrictions consisted of the following at December 31, 2023:

Foundation of Caring Florida Medical Clinic	\$ 3,500
Melanie Hall - Premium Assist. Fund	4,956
Total Restricted	<u>\$ 8,456</u>

Note 8 - Subsequent Events

Management has evaluated subsequent events through May 20, 2024 the date which the financial statements were available for issue and has concluded that there are no subsequent events which would require disclosure.

THE FAMILY HEALTHCARE FOUNDATION INC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditure
U.S. Dept. of Health & Human Services:				
<i>Pass through Florida Healthy Kids Corporation</i> Children's Health Insurance Program	93.767	FL20143-T21	\$ 15,000	\$ 38,168
<i>Pass through the University of South Florida</i> Children's Health Insurance Program	93.767	2Y2CMS331866-01-00	-	36,736
<i>Pass through the University of South Florida</i> Cooperative Agreement to Support Navigators	93.332	NAVCA210430-01-0	790,415	1,808,855
Total U.S. Dept. of Health & Human Services			<u>805,415</u>	<u>1,883,759</u>
Total expenditures of federal awards			<u>\$ 805,415</u>	<u>\$ 1,883,759</u>

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Family Healthcare Foundation, Inc. (the Foundation). 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* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the statements of financial position, activities and changes in net assets, functional expense or cash flows of the organization.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the schedule are recognized on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Costs

The Family Healthcare Foundation, Inc. has elected to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

**THE FAMILY HEALTHCARE FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of The Family Healthcare Foundation, Inc.
2. No significant deficiencies were disclosed during the audit of the financial statements as reported in the 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.
3. No instances of noncompliance material to the financial statements of The Family Healthcare Foundation, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit as reported in the Independent Auditor's Report on Compliance For Each Major Program And On Internal Control Over Compliance As Required By The Uniform Guidance.
5. The auditor's report on compliance for the major federal award program for The Family Healthcare Foundation, Inc. expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award program for The Family Healthcare Foundation, Inc. as reported in Part C of this schedule.
7. The program tested as major is as follows:

<u>Assistance Listing Number</u>	<u>Federal Program Title</u>
93.332	Cooperative Agreement to Support Navigators

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The Family Healthcare Foundation, Inc. was not a low-risk auditee.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None

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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

Board of Directors
The Family Healthcare Foundation, Inc.

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 The Family Healthcare Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued my report thereon dated May 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered The Family Healthcare Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Family Healthcare Foundation, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of The Family Healthcare Foundation, 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 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Family Healthcare Foundation, Inc.'s financial statements are free of 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 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 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.


Jeanette Edwards, CPA
Certified Public Accountant
Bradenton, FL
May 20, 2024

JEANETTE EDWARDS, C.P.A., L.L.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
The Family Healthcare Foundation, Inc.

Report on Compliance for each Major Federal Program

Opinion on Each Major Federal Program

I have audited The Family Healthcare Foundation, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Family Healthcare Foundation, Inc.'s major federal programs for the year ended December 31, 2023. The Family Healthcare Foundation, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, The Family Healthcare Foundation, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

I conducted my 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 Standard*, issued by the Comptroller General of the United States; and 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of The Family Healthcare Foundation, Inc. and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of The Family Healthcare Foundation, 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 The Family Healthcare Foundation, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 The Family Healthcare Foundation, Inc.'s compliance based on my 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*, and the Uniform Guidance 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 The Family Healthcare Foundation, Inc.'s compliance with the requirements of each major federal program as a whole.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE**

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- 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 The Family Healthcare Foundation, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of The Family Healthcare Foundation, 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, but not for the purpose of expressing an opinion on the effectiveness of The Family Healthcare Foundation, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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 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.

My 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 my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, so such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.



Jeanette Edwards, CPA
Certified Public Accountant
Bradenton, FL
May 20, 2024