



Champions
For **Children**

Financial Statements
December 31, 2019 and 2018

CHAMPIONS FOR CHILDREN, INC.
Financial Statements
December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Champions for Children, Inc.
Tampa, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Champions for Children, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the financial statements referred to previous present fairly, in all material respects, the financial position of Champions for Children, Inc. as of December 31, 2019, and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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 our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020, on our consideration of Champions for Children, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Champions' for Children'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 Champions for Children, Inc.'s internal control over financial reporting and compliance.



Prida Guida Perez P.A.
Tampa, Florida
June 26, 2020

CHAMPIONS FOR CHILDREN, INC.
Statements of Financial Position

ASSETS

	December 31,	
	2019	2018
Current assets		
Cash	\$ 698,306	\$ 391,747
Grants receivable	727,985	710,377
Unconditional promises to give	28,477	9,837
Community foundation operating fund investment	80,450	66,826
Other current assets	35,901	39,948
Total current assets	1,571,119	1,218,735
Long-term assets		
Beneficial interest in assets held by community foundation	315,975	269,610
Property and equipment, net	589,333	612,280
Asset held for sale, net	-	285,745
Other assets	8,813	8,813
Total assets	\$ 2,485,240	\$ 2,395,183

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 174,943	\$ 178,216
Accrued expenses and other liabilities	214,775	217,446
Total liabilities	389,718	395,662
Net assets		
Without donor restrictions	1,803,985	1,801,276
With donor restrictions	291,537	198,245
Total net assets	2,095,522	1,999,521
Total liabilities and net assets	\$ 2,485,240	\$ 2,395,183

Read accompanying notes to financial statements.

CHAMPIONS FOR CHILDREN, INC.
Statement of Activities
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Contributions and grants	\$ 6,249,964	\$ 293,907	\$ 6,543,871
Fundraising	224,144	-	224,144
Program fees	60,713	-	60,713
Investment income, net	57,888	-	57,888
Miscellaneous income	23,924	-	23,924
Total net assets released from restrictions	200,615	(200,615)	-
Total revenues, gains, and other support	<u>6,817,248</u>	<u>93,292</u>	<u>6,910,540</u>
Expenses			
Program services			
Child care & family learning	427,960	-	427,960
Positive parenting partnership	1,161,979	-	1,161,979
Kids on the block	98,495	-	98,495
Healthy families	647,454	-	647,454
Children's Board family resource centers	798,866	-	798,866
Prenatal programs	76,401	-	76,401
Early childhood and parenting education program	1,014,162	-	1,014,162
Parents as teachers	1,180,944	-	1,180,944
Family involvement connection	201,748	-	201,748
Total program services	<u>5,608,009</u>	<u>-</u>	<u>5,608,009</u>
Support services			
Administration	873,605	-	873,605
Development	332,925	-	332,925
Total support services	<u>1,206,530</u>	<u>-</u>	<u>1,206,530</u>
Total expenses	<u>6,814,539</u>	<u>-</u>	<u>6,814,539</u>
Changes in net assets	<u>2,709</u>	<u>93,292</u>	<u>96,001</u>
Net assets, beginning of year	<u>1,801,276</u>	<u>198,245</u>	<u>1,999,521</u>
Net assets, end of year	<u>\$ 1,803,985</u>	<u>\$ 291,537</u>	<u>\$ 2,095,522</u>

Read accompanying notes to financial statements.

CHAMPIONS FOR CHILDREN, INC.
Statement of Activities
For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Contributions and grants	\$ 5,798,728	\$ 126,150	\$ 5,924,878
Fundraising	243,992	-	243,992
Program fees	40,333	-	40,333
Interest income	201	-	201
Investment income, net	(31,879)	-	(31,879)
Miscellaneous income	22,529	-	22,529
Total net assets released from restrictions	49,042	(49,042)	-
Total revenues, gains, and other support	<u>6,122,946</u>	<u>77,108</u>	<u>6,200,054</u>
Expenses			
Program services			
Child care & family learning	449,812	-	449,812
Positive parenting partnership	1,307,176	-	1,307,176
Kids on the block	109,297	-	109,297
Healthy families	608,935	-	608,935
Children's Board family resource centers	748,411	-	748,411
Prenatal programs	79,487	-	79,487
Early childhood and parenting education program	701,451	-	701,451
Parents as teachers	1,068,189	-	1,068,189
Family involvement connection	150,125	-	150,125
Total program services	<u>5,222,883</u>	<u>-</u>	<u>5,222,883</u>
Support services			
Administration	764,687	-	764,687
Development	339,823	-	339,823
Total support services	<u>1,104,510</u>	<u>-</u>	<u>1,104,510</u>
Total expenses	<u>6,327,393</u>	<u>-</u>	<u>6,327,393</u>
Changes in net assets	<u>(204,447)</u>	<u>77,108</u>	<u>(127,339)</u>
Net assets, beginning of year	<u>2,005,723</u>	<u>121,137</u>	<u>2,126,860</u>
Net assets, end of year	<u>\$ 1,801,276</u>	<u>\$ 198,245</u>	<u>\$ 1,999,521</u>

Read accompanying notes to financial statements.

CHAMPIONS FOR CHILDREN, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2019

Expenses	Child care & family learning	Positive parenting partnership	Kids on the block	Healthy families	Children's Board family resource centers	Prenatal programs	Early childhood and parenting education program
Salaries	\$ 291,269	\$ 544,714	\$ 74,260	\$ 414,905	\$ 469,361	\$ 54,527	\$ 660,021
Employee benefits	51,962	58,851	1,892	85,813	68,911	8,151	87,572
Payroll taxes	22,674	42,309	5,933	31,203	36,616	4,208	50,216
Total salaries, benefits, and taxes	365,905	645,874	82,085	531,921	574,888	66,886	797,809
Advertising/public relations	-	-	-	-	-	-	8,254
Audit fees	-	-	-	-	-	-	-
Bank service charges	630	-	-	-	-	214	37
Building, grounds, and other maintenance	2,682	8,544	-	2,512	24,956	-	16,928
Client related expenses	15,548	108,302	380	8,665	18,936	3,042	52,066
Communication	4,152	13,076	1,274	8,867	10,371	434	6,115
Conference/professional enhancement	105	40,637	79	9,191	38	410	18,939
Contract services	-	196,876	-	-	6,957	1,200	-
Data processing	2,113	10,519	665	10,885	3,880	-	15,576
Dues/membership/books/subscriptions	334	829	31	-	85	250	29,287
Employee morale	282	166	275	378	588	41	477
Equipment maintenance	-	-	54	-	895	-	-
Insurance	1,683	3,237	459	2,431	2,616	195	3,836
Miscellaneous	-	-	-	-	-	-	-
Rent	1,197	91,245	-	29,081	122,760	-	27,120
Postage and freight	10	151	7	187	60	220	304
Pre-employment	392	569	300	210	791	-	687
Printing/publications	3,001	10,474	2,268	6,735	7,777	595	8,934
Security	-	532	-	138	1,718	-	1,768
Special events expense	-	-	-	-	-	-	-
Supplies	27,163	12,465	865	4,714	4,431	453	14,144
Transportation	-	951	-	-	-	-	-
Travel	2,327	9,546	9,753	30,210	7,087	2,461	3,227
Utilities	-	4,210	-	1,329	8,582	-	8,654
Depreciation	436	3,776	-	-	1,450	-	-
Total expenses	\$ 427,960	\$ 1,161,979	\$ 98,495	\$ 647,454	\$ 798,866	\$ 76,401	\$ 1,014,162

Read accompanying notes to financial statements.

CHAMPIONS FOR CHILDREN, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2019

Expenses	Parents as teachers	Family involvement connection	Total program services	Administration	Development	Total expenses
Salaries	\$ 834,351	\$ 130,978	\$ 3,474,386	\$ 457,550	\$ 176,022	\$ 4,107,958
Employee benefits	167,261	18,902	549,315	66,646	28,240	644,201
Payroll taxes	62,955	10,154	266,268	34,651	13,438	314,357
Total salaries, benefits, and taxes	1,064,567	160,034	4,289,969	558,847	217,700	5,066,516
Advertising/public relations	-	158	8,412	326	5,986	14,724
Audit fees	-	-	-	17,592	-	17,592
Bank service charges	-	-	881	4,607	4,155	9,643
Building, grounds, and other maintenance	-	2,167	57,789	47,439	-	105,228
Client related expenses	11,779	18,516	237,234	107	-	237,341
Communication	9,728	1,413	55,430	17,678	1,693	74,801
Conference/professional enhancement	13,190	2,688	85,277	3,536	184	88,997
Contract services	-	-	205,033	5,504	3,862	214,399
Data processing	14,026	2,260	59,924	79,944	4,462	144,330
Dues/membership/books/subscriptions	6,034	-	36,850	42,033	7,681	86,564
Employee morale	400	188	2,795	6,980	219	9,994
Equipment maintenance	-	-	949	-	-	949
Insurance	3,433	598	18,488	13,932	546	32,966
Miscellaneous	-	-	-	-	6	6
Rent	-	-	271,403	142	-	271,545
Postage and freight	449	30	1,418	696	1,270	3,384
Pre-employment	423	243	3,615	390	103	4,108
Printing/publications	8,040	3,961	51,785	2,789	2,738	57,312
Security	-	-	4,156	4,455	-	8,611
Special events expense	-	-	-	-	81,396	81,396
Supplies	4,911	7,260	76,406	12,626	411	89,443
Transportation	-	-	951	-	-	951
Travel	43,964	2,232	110,807	963	513	112,283
Utilities	-	-	22,775	22,408	-	45,183
Depreciation	-	-	5,662	30,611	-	36,273
Total expenses	\$ 1,180,944	\$ 201,748	\$ 5,608,009	\$ 873,605	\$ 332,925	\$ 6,814,539

Read accompanying notes to financial statements.

CHAMPIONS FOR CHILDREN, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2018

Expenses	Child care & family learning	Positive parenting partnership	Kids on the block	Healthy families	Children's Board family resource centers	Prenatal programs	Early childhood and parenting education program
Salaries	\$ 294,483	\$ 564,575	\$ 78,759	\$ 389,484	\$ 448,779	\$ 55,570	\$ 459,349
Employee benefits	60,015	60,479	3,052	80,396	59,440	7,972	51,978
Payroll taxes	23,072	43,231	6,299	29,366	35,248	4,316	35,666
Total salaries, benefits, and taxes	377,570	668,285	88,110	499,246	543,467	67,858	546,993
Advertising/public relations	71	69	45	48	52	50	436
Audit fees	-	-	-	-	-	-	-
Bank service charges	380	-	-	-	2	16	-
Building, grounds, and other maintenance	1,531	7,958	1,375	2,304	18,465	1,522	23,685
Client related expenses	12,391	53,112	245	4,940	17,788	4,143	23,521
Communication	2,482	12,777	1,571	7,575	10,791	843	6,651
Conference/professional enhancement	2,405	14,543	2,958	6,974	436	86	11,451
Contract employees	-	-	-	-	517	-	1,292
Contract services	5,995	238,361	794	4,166	3,258	-	6,757
Data processing	1,886	5,429	728	4,166	3,203	-	8,186
Dues/membership/books/subscriptions	1,494	1,091	-	-	85	300	885
Employee morale	135	800	34	380	431	51	456
Equipment maintenance	75	-	-	109	-	-	-
Impairment loss	-	185,389	-	-	-	-	-
Insurance	2,384	4,290	1,000	2,956	3,663	772	6,523
Interest expense	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Rent	6,585	77,324	-	26,338	108,347	-	24,860
Postage and freight	-	41	32	241	43	113	159
Pre-employment	432	523	272	636	842	-	890
Printing/publications	3,710	7,316	1,266	6,088	6,345	396	5,539
Security	-	-	-	-	3,842	-	1,271
Special events expense	-	-	-	-	-	-	-
Supplies	28,734	10,888	978	8,159	8,016	296	14,963
Transportation	-	365	-	-	-	-	-
Travel	791	4,682	9,083	33,196	6,529	2,148	1,458
Utilities	325	4,166	806	1,413	10,036	893	14,770
Depreciation	436	9,767	-	-	2,253	-	705
Total expenses	\$ 449,812	\$ 1,307,176	\$ 109,297	\$ 608,935	\$ 748,411	\$ 79,487	\$ 701,451

Read accompanying notes to financial statements.

CHAMPIONS FOR CHILDREN, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2018

Expenses	Parents as teachers	Family involvement connection	Total program services	Administration	Development	Total expenses
Salaries	\$ 721,445	\$ 106,442	\$ 3,118,886	\$ 426,690	\$ 182,314	\$ 3,727,890
Employee benefits	129,980	17,417	470,729	54,874	27,105	552,708
Payroll taxes	55,069	8,194	240,461	31,997	13,960	286,418
Total salaries, benefits, and taxes	906,494	132,053	3,830,076	513,561	223,379	4,567,016
Advertising/public relations	44	27	842	846	3,321	5,009
Audit fees	-	-	-	17,500	-	17,500
Bank service charges	-	-	398	2,549	3,239	6,186
Building, grounds, and other maintenance	13,533	2,210	72,583	23,571	2,948	99,102
Client related expenses	12,529	2,068	130,737	392	25	131,154
Communication	11,172	2,251	56,113	7,372	2,155	65,640
Conference/professional enhancement	25,469	225	64,547	2,787	133	67,467
Contract employees	-	-	1,809	775	-	2,584
Contract services	6,250	1,190	266,771	37,468	1,260	305,499
Data processing	8,303	1,322	33,223	63,343	4,890	101,456
Dues/membership/books/subscriptions	5,706	12	9,573	5,161	10,299	25,033
Employee morale	814	5	3,106	3,385	-	6,491
Equipment maintenance	-	-	184	50	-	234
Impairment loss	-	-	185,389	-	-	185,389
Insurance	8,478	1,302	31,368	6,350	1,735	39,453
Interest expense	-	-	-	1,746	-	1,746
Miscellaneous	-	-	-	32	-	32
Rent	-	-	243,454	949	-	244,403
Postage and freight	437	47	1,113	2,104	1,503	4,720
Pre-employment	185	115	3,895	673	-	4,568
Printing/publications	9,897	2,247	42,804	3,172	2,734	48,710
Security	-	-	5,113	5,392	-	10,505
Special events expense	-	-	-	-	79,183	79,183
Supplies	10,301	724	83,059	23,187	1,022	107,268
Transportation	-	-	365	79	-	444
Travel	40,726	3,030	101,643	975	268	102,886
Utilities	7,851	1,297	41,557	4,344	1,729	47,630
Depreciation	-	-	13,161	36,924	-	50,085
Total expenses	\$ 1,068,189	\$ 150,125	\$ 5,222,883	\$ 764,687	\$ 339,823	\$ 6,327,393

Read accompanying notes to financial statements.

CHAMPIONS FOR CHILDREN, INC.
Statements of Cash Flows

	Year Ended December 31,	
	2019	2018
Cash flows from operating activities		
Changes in net assets	\$ 96,001	\$ (127,339)
Adjustments to reconcile changes in net assets to net cash from operations		
Depreciation	36,274	50,085
Impairment loss on equipment	-	185,389
Unrealized and realized (gains) losses on investments and endowments	(54,769)	31,015
Gain on the sale of property	(10,857)	-
Changes in:		
Grants receivable	(17,608)	(31,785)
Unconditional promises to give	(18,640)	2,045
Community foundation operating fund investment	(485)	(781)
Beneficial interest in assets held by community foundation	(2,635)	(2,644)
Other assets	4,047	(22,697)
Accounts payable	(3,273)	8,916
Accrued expenses and other liabilities	(2,671)	28,547
Net cash from operations	25,384	120,751
Cash flows from investing activities		
Investment purchases	(2,100)	-
Investment distributions	-	4,290
Acquisitions of fixed assets	(14,540)	(15,026)
Proceeds from the sale of property	297,815	-
Net cash provided by (used in) investing activities	281,175	(10,736)
Cash flows from financing activities		
Principal collections on note receivable	-	11,038
Principal payments on debt	-	(71,928)
Net cash flows used in financing activities	-	(60,890)
Net change in cash	306,559	49,125
Cash, beginning of year	391,747	342,622
Cash, end of year	\$ 698,306	\$ 391,747

Supplemental Information

Interest paid during the year	\$ -	\$ 1,746
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Read accompanying notes to financial statements.

CHAMPIONS FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Note 1 – Nature of Activities

Champions for Children, Inc. (the “Agency”) was organized on December 23, 1977 as Child Abuse Council, Inc. On February 29, 2012, the Agency adopted the name change to Champions for Children, Inc.

The Agency’s mission is to build stronger families in the Tampa Bay region through its child abuse prevention and family education programs. The Agency provides education and consultation in individual, family, and group formats in classroom, community, and home-based settings.

The Agency works towards identifying and developing specific direct service programs for abusive and/or neglectful and potentially abusive and/or neglectful families while coordinating existing services with agencies involved in the area of child abuse and neglect in Hillsborough County, Florida. The Agency has the following programs to solve all facets of abuse and neglect:

Child Care & Family Learning – A Gold Seal developmental child care center offering individualized care to children. Parenting classes and support groups are offered to mothers and fathers who are receiving services for substance abuse disorders.

Positive Parenting Partnership – The program offers the evidenced-based Triple P parent education services to parents or caregivers who would like to establish better relationships with their children, teach their children something new, or “un-teach” problematic behaviors. It gives parents the skills to build strong family relationships and to build strong financial management skills.

Kids On The Block – A “Troupe of Educational Puppets” designed to teach 3rd graders to recognize child abuse and use the “NO, GO & TELL” safety rule to get help from responsible adults. Fourth graders learn to recognize & report bullying and to have empathy and respect for others. This valuable educational experience is provided to more than 24,000 students annually in Hillsborough County.

Healthy Families – An evidence-based intensive home visiting service that promotes positive parent-child interaction and childhood development among families of newborns in Hillsborough County for the prevention of child abuse and neglect.

Children’s Board Family Resource Centers – The Children’s Board Family Resource Centers are fun, inviting places for families to come on a daily basis. The Centers seek to strengthen and empower families and communities so they can foster the best possible development of children with a focus on child development, health and safety. New residents to the area find that the centers offer the opportunity to meet new friends and gain support in re-establishing their families in Hillsborough County.

Prenatal Program – A Breastfeeding Childbirth Program offers comprehensive prenatal education services to help prepare families for birth and their new role as parents. Services include Childbirth Education, Newborn Care, and Breastfeeding Basics. Lactation counseling is offered in one-to-one sessions and community Baby Cafés.

CHAMPIONS FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Note 1 – Nature of Activities (Continued)

Early Childhood and Parenting Education Program – Baby Bungalow is an early childhood resource center for families with young children that offers wildly popular parent/child developmental playgroups, parent workshops and ongoing child developmental screenings at multiple locations across Hillsborough County.

Fathers Resource And Networking Center (FRANC) serves as a hub for community-wide fatherhood initiatives and programs. Our Boot Camp for New Dads, Who’s the Man?!, fathers only developmental playgroups and Nurturing Dads Course are available to all fathers, father figures and families.

Layla’s House is a parent-child resource center in the heart of Sulphur Springs that offers fun educational programs, resources and activities that enhance positive early childhood development and provides support from pregnancy through kindergarten entry.

Parents As Teachers – The program is an internationally recognized evidence-based early childhood parent education and family support program. Certified Parent Educators provide in-home parent education and family support to families from pregnancy through a child’s transition into kindergarten. This program helps parents understand what to expect during each stage of development so that they can capture the teachable moments in everyday life to enhance their child’s language development, intellectual growth, social development and motor skills.

Family Involvement Connection – A support program offered to Family Child Care Homes and to childcare centers, in order to encourage parents to get involved in their children’s early education experiences. This program helps bridge children’s home and school learning environments by engaging parents and teaching them effective ways to link the classroom and home through educational activities.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The Agency follows the accrual method in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Grants receivable – Grants receivable are stated as unpaid balances, less an allowance for doubtful accounts. The Agency provides for losses on grants receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of the Agency to collect the receivables. It is the Agency’s policy to charge off uncollectible grants receivable when management determines the receivable may not be collected. As of December 31, 2019 and 2018, the Agency considers all receivable balances to be collectible. The Agency does not charge interest on grants receivable.

CHAMPIONS FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Unconditional promises to give – Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. The Agency uses the allowance method to determine uncollectible promises. The allowance is based on management’s analysis and historical information. At December 31, 2019 and 2018, management determined an allowance was not needed.

Property and equipment – The Agency follows the practice of capitalizing the cost of all expenditures for property and equipment valued in excess of \$2,500 with an expected life of over one year. The fair value of donated property and equipment is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets ranging from 3 - 50 years on the straight-line basis. Routine repairs and maintenance are expensed as incurred.

The Agency reviews the carrying values of property and equipment for impairment whenever circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent the carrying value exceeds the fair value of the asset. The Agency has determined that certain long-lived assets were impaired during the year ended December 31, 2018, and have recorded an impairment loss of approximately \$185,000 at December 31, 2018. There were no indicators of asset impairment during the year ended December 31, 2019.

Beneficial interest in assets held by the community foundation – The Agency’s beneficial interest in funds irrevocably transferred to the Community Foundation of Tampa Bay, Inc. (the “Foundation”) is stated at fair value. Changes in the fair value are recorded as realized and unrealized gains or losses in the statement of activities. Grants from the fund are in accordance with the Foundation’s spending policy established by the Board of Trustees of the Foundation. Grants may be requested by the Agency and disbursed semi-annually in amounts not to exceed amounts allowed by the Foundation. The beneficial interest of the assets held by the Foundation are valued each month by the Foundation.

Community foundation operating fund investment – Investment in an “Agency Reserve Fund” maintained by the Foundation is stated at fair value. Investment income (including realized and unrealized gains on losses on the investment, interest and dividends) is reflected as investment income in the statement of activities. Purchases and sales of investments are recorded on the trade date.

Financial statement presentation – Net assets and revenue, gains and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as:

Net assets without donor restrictions - These resources are not subject to donor or grantor-imposed restrictions. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

Net assets with donor restrictions - Those resources subject to donor or grantor-imposed restrictions. Some donor or grantor imposed restrictions are temporary in nature, such as those that will be satisfied by action of the Agency or by the passage of time. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

CHAMPIONS FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Contributions and grants – Contributions and grants are recognized when the donor or grantor makes a promise to give to the Agency that is, in substance, unconditional. Contributions that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The majority of the Agency's income is derived from cost-reimbursement grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific contract or grant provisions.

Program fees – Represents fees earned for certain and education and outreach programs. These services are generally considered to be a single performance obligation that is satisfied at a point in time and revenue is recognized when the service is provided.

Donated materials and services – Volunteer services are recorded if the services create or enhance non-financial assets or require specialized skills and are performed by people with those skills or would have otherwise been purchased by the Agency. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose.

Many volunteers have donated significant amounts of their time to the Agency's programs and support services for the years ended December 31, 2019 and 2018; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Cost allocation – The financial statements report certain categories of expenses that attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses which are not directly identifiable by program or support service, are allocated based on time and effort or square footage allocated to the functional area. Specific expenses associated with a program are charged directly to that program.

Estimates – The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes – Pursuant to a determination letter received from the Internal Revenue Service, the Agency is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and therefore is also exempt from state income tax.

CHAMPIONS FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Income taxes (Continued)– Management of the Agency considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the Agency’s status as a non-profit entity. Management believes the Agency met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax; therefore, no provision for income taxes has been provided in these financial statements. The Agency’s income tax returns for the past three years are subject to examination by taxing authorities, and may change upon examination.

Advertising – The Agency uses advertising to promote its programs among the communities it serves. Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2019 and 2018 was approximately and \$15,000 and \$5,000, respectively.

Concentrations of credit risk – Financial instruments that potentially subject the Agency to concentrations of credit risk consist primarily of grants receivable. The grants receivable balance at December 31, 2019 and 2018 consisted of approximately 67% from two granting agencies and 87% from three granting agencies, respectively. Revenues from these agencies comprised approximately 54% of total grant and contribution revenue for the year ended December 31, 2019 and approximately 73% of total grant and contribution revenue for the year ended December 31, 2018.

The Agency maintains cash balances at a financial institution located in Tampa, Florida. Accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At December 31, 2019, approximately \$448,000 of the Agency’s cash balances exceeded FDIC limits.

Recently adopted accounting pronouncements – In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606).” This guidance, as amended by subsequent ASUs on the topic, outlines a single comprehensive model for determining revenue recognition for contracts with customers, and supersedes guidance on revenue recognition in Accounting Standards Codification Topic 605, “Revenue Recognition.” The Agency adopted the new standard on January 1, 2019, utilizing the full retrospective method, which had no impact to the Agency’s measurement of recognition of revenue from prior periods.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which clarifies and improves the scope and accounting guidance around contributions of cash and other assets received and made by not-for-profit organizations and business enterprises. The ASU clarifies and improves current guidance about whether a transfer of asset, or the reduction, settlement, or cancellation of liabilities, is a contribution or exchange transaction. It provides criteria for determining whether a resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. It also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The new ASU does not apply to transfers of assets from governments to businesses. The Agency adopted the new standard on January 1, 2019, utilizing the full retrospective method, which had no impact to the Agency’s measurement of recognition of revenue from prior periods.

CHAMPIONS FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Recently adopted accounting pronouncements (Continued) – The FASB has issued certain new or modifications to, or interpretations of, existing accounting guidance in addition to the ASU’s described previously. The Agency has considered the new pronouncements and does not believe that any other new or modified guidance will have a material impact on the Agency’s reported financial position or activities in the near term.

Note 3 – Net Assets

Net assets with donor restrictions consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Restricted for specific purposes:		
Programs	\$ 191,537	\$ 98,245
Investment in beneficial interest	<u>100,000</u>	<u>100,000</u>
	<u>\$ 291,537</u>	<u>\$ 198,245</u>

The net assets without donor restrictions consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Undesignated	\$ 1,588,010	\$ 1,631,666
Board designated for investment in the Agency's Beneficial Interest held by the Foundation	<u>215,975</u>	<u>169,610</u>
	<u>\$ 1,803,985</u>	<u>\$ 1,801,276</u>

Net assets released from net assets with donor restrictions are as follows for the year ended December 31:

	<u>2019</u>	<u>2018</u>
Satisfaction of purpose restrictions	<u>\$ 200,615</u>	<u>\$ 49,042</u>

Note 4 – Defined Contribution Plan

The Agency maintains a defined contribution plan as defined under Section 401(k) of the U.S. Internal Revenue Code covering substantially all employees. Employer contributions during the years ended December 31, 2019 and 2018 was approximately \$67,000 and \$45,000, respectively.

CHAMPIONS FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Note 5 – Line of Credit

The Agency maintains a \$200,000 line of credit with a financial institution. The line of credit is secured by real property. Interest is payable monthly at the bank’s variable index rate plus .95% base points but no less than 4.75%, and principal is due on demand.

During 2019, the line of credit was renewed to June 2022. Interest is payable monthly at the bank’s variable index rate plus .15% base points but no less than 4.75%. The line of credit remains secured by real property.

There was no balance outstanding as of December 31, 2019 and 2018.

Note 6 – Property and Equipment

Major classifications of property and equipment are summarized below at December 31:

	2019	2018
Land	\$ 327,825	\$ 327,825
Building and improvements	308,363	308,363
Furniture and fixtures	696,089	682,522
Leasehold improvements	17,187	17,187
Puppets	8,702	8,702
	1,358,166	1,344,599
Less: accumulated depreciation	(768,833)	(732,319)
	\$ 589,333	\$ 612,280

Depreciation expense was approximately \$36,000 and \$50,000 for the year ended December 31, 2019 and 2018, respectively.

During 2018, the Agency determined that a database that was purchased for the Positive Parenting Partnership program was no longer operational and the program recorded an impairment loss of approximately \$185,000 during the year ended December 31, 2018. The impairment charge represents the difference between the carrying value of the database and the market value of the database. Associated with the impairment loss is an unpaid vendor invoice of \$96,400 related to the database that the Agency is currently disputing the validity of the invoice with the vendor. This invoice is included in accounts payable at December 31, 2019 and 2018.

The vendor invoiced the Agency on April 30, 2018. Under Florida law, the vendor has five years to bring an action against the Agency for the disputed invoice. The Agency indicates that it has legitimate defenses to the disputed invoice. There has been no communication regarding the disputed invoice since March 2019. At this time, the disputed invoice is included in accounts payable at December 31, 2019 and 2018.

CHAMPIONS FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Note 7 – Asset Held for Sale

As of December 31, 2018, the Agency had their Plant City location listed for sale. The building was sold during 2019 for a price in excess of the carrying amount.

Note 8 – Community Foundation Operating Fund Investment

In a prior year, the Agency transferred approximately \$100,000 to the Foundation to establish an Agency Reserve Fund (“Fund”). Under the terms of the Fund agreement, the Foundation has not been granted variance power over the funds and is required to maintain a \$25,000 balance in the account. Withdrawals may be made from the Fund with the approval of 75% of the Agency’s board of directors. The Agency is limited to 4 distributions per calendar year. The Foundation has the sole responsibility and authority for the investment of the assets.

Changes in the Fund are as follows for the year ended December 31:

	2019	2018
Beginning of year	\$ 66,826	\$ 102,909
Contributions	2,100	-
Investment transfer out	-	(28,083)
Investment income	1,348	1,971
Net appreciation (depreciation)	11,039	(8,781)
Fees	(863)	(1,190)
End of year	\$ 80,450	\$ 66,826

Note 9 – Beneficial Interest in Assets Held by the Foundation

In a prior year, the Agency transferred \$100,000 to the Foundation for the purpose of administering an endowment. In addition, the Agency has invested monies raised through contributions in this investment vehicle. The Foundation pools together all funds received from other endowments and invests them in a diversified asset mix, which includes equity and debt securities, and is intended to result in consistent inflation protected rate of return that has sufficient liquidity to make semi-annual distributions estimated at 4% of the average balance over previous 12 quarters while growing the fund if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

CHAMPIONS FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Note 9 – Beneficial Interest in Assets Held by the Foundation (Continued)

Changes in the beneficial interest in assets held by the Foundation are as follows:

Year Ended December 31, 2019	With Donor Restrictions	Without Donor Restrictions - Designated by Board	Total
Investment in beneficial interest, beginning of year	\$ 100,000	\$ 169,610	\$ 269,610
Investment income	-	5,295	5,295
Net appreciation (realized and unrealized)	-	43,730	43,730
Fees	-	(2,660)	(2,660)
Investment in beneficial interest, end of year	<u>\$ 100,000</u>	<u>\$ 215,975</u>	<u>\$ 315,975</u>

Year Ended December 31, 2018	With Donor Restrictions	Without Donor Restrictions - Designated by Board	Total
Investment in beneficial interest, beginning of year	\$ 100,000	\$ 165,407	\$ 265,406
Investment transfer in	-	28,083	28,083
Investment income	-	5,040	5,040
Net depreciation (realized and unrealized)	-	(22,234)	(22,234)
Fees	-	(2,396)	(2,395)
Distributions	-	(4,290)	(4,290)
Investment in beneficial interest, end of year	<u>\$ 100,000</u>	<u>\$ 169,610</u>	<u>\$ 269,610</u>

CHAMPIONS FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Note 10 – Fair Value Measurements

Financial instruments measured at fair value are classified and disclosed in the following categories:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are equities, certain corporate bonds, intermediate bond funds, U.S. Treasury notes and cash and cash equivalents.

Level 2: Pricing inputs are other than quoted prices for identical investments in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The types of investments which are generally included in this category include corporate bonds, government bonds, mortgage backed securities, real estate investment trusts and closed-end funds.

Level 3: Valuation is based on unobservable inputs

The 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.

The following is a description of the valuation methodologies used for significant assets measured at fair value at December 31, 2019 and 2018.

Beneficial interest in assets held by the Foundation and the Community Foundation Operating Fund Investment-Consists of funds held by the Foundation. The beneficial interest and operating fund investment are not actively traded and significant other observable inputs are not available. Thus, the fair value is equal to the value reported by the trustee and are considered Level 3 investments.

Note 11 – Commitments

The Agency leases a facility from an unrelated third party. The lease agreement requires monthly payments of approximately \$10,000 per month through December 2020.

The Agency has committed approximately \$120,000 minimum lease payments under the operating lease for 2020.

The Agency also has rental obligations on a month to month basis.

CHAMPIONS FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Note 12 – Liquidity

The Agency financial assets available for general expenditures within one year of December 31, 2019 are as follows:

Cash	\$ 698,306
Grants receivable	727,985
Unconditional promises to give	28,477
Community foundation operating fund investment	80,450
Other current assets	<u>35,901</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,571,119</u>

As part of the Agency’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the Agency has a committed line of credit in the amount of \$200,000, which it could draw upon.

Note 13 – Risks and Uncertainties due to COVID-19

The Agency could be materially and adversely affected by the recent outbreak of the novel coronavirus (“COVID-19”). The ultimate extent of the impact of this outbreak on the Agency’s financial position and results of operations will depend on future developments, which are highly uncertain and cannot be predicted.

As a result of COVID-19, the Agency borrowed approximately \$976,000 under the Small Business Administration’s Paycheck Protection Plan Program in April 2020. The loan agreement requires monthly payments beginning in November 2020 of principal and interest at 1% per annum and matures in April 2022. The Agency may apply for forgiveness of the loan in whole or in part and the balance of the loan may be forgiven if the loan proceeds are used for the purposes defined in the agreement.

Note 14 – Subsequent Events

Management of the Agency has evaluated subsequent events through June 26, 2020, the date which the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through June 26, 2020 other than as described in Note 13, that would require adjustment to, or disclosure in, the financial statements.

SUPPLEMENTARY INFORMATION

CHAMPIONS FOR CHILDREN, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2019

CHAMPIONS FOR CHILDREN, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

<u>Federal Grantor/Program Title</u>	<u>Contract Number</u>	<u>CFDA#</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. Department of Agriculture				
<i>Passed through Florida Department of Health</i>				
Child and Adult Care Food Program	1-5007	10.558	\$ 20,045	\$ -
U.S. Department of Health and Human Services				
<i>Passed through Healthy Start Coalition Hillsborough County</i>				
TANF Cluster:				
Temporary Assistance for Needy Families	ECA-C13-SA-CFC-FY19	93.558	19,347	-
Temporary Assistance for Needy Families	ECA-C13-SA-CFC-FY19	93.558	30,949	-
Total TANF Cluster			<u>50,296</u>	<u>-</u>
<i>Passed through Healthy Start Coalition Hillsborough County</i>				
Promoting Safe and Stable Families	ECA-C13-SA-CFC-FY19	93.556	3,007	-
Promoting Safe and Stable Families	ECA-C13-SA-CFC-FY19	93.556	4,810	-
Total Promoting Safe and Stable Families			<u>7,817</u>	<u>-</u>
<i>Passed through Florida Association of Healthy Start Coalitions</i>				
Maternal and Child Health Federal Consolidated Programs	16-05-FY1821	93.110	88,652	-
<i>Passed through DACCO Behavioral Health</i>				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	1H79TI080326-01	93.243	32,760	-
<i>Passed through the Office of Family Assistance</i>				
Healthy Marriage Promotion and Responsible Fatherhood Grants	90FM0088-05-00	93.086	<u>1,254,541</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 1,454,111</u>	<u>\$ -</u>

Read accompanying notes to schedule of expenditures of federal awards.

CHAMPIONS FOR CHILDREN, INC.
Notes to Schedule of Expenditures of Federal Awards
December 31, 2019

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Champions for Children, Inc. (“the Agency”) under programs of the federal government for the year ended December 31, 2019. 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 the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

Note 2 – 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 of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The Agency has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 – 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 Agency’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 Agency expects such amounts, if any, to be immaterial.

CHAMPIONS FOR CHILDREN, INC.

**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***

December 31, 2019



PRIDA, GUIDA & PEREZ, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
1106 N. FRANKLIN STREET
TAMPA, FLORIDA 33602

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

To the Board of Directors
Champions for Children, Inc.
Tampa, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Champions for Children, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2020.

Internal Control over Financial Reporting

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

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.

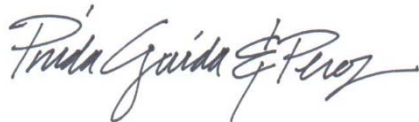
**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS* (Continued)**

Compliance and Other Matters

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

Purpose of this Report

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



Prida Guida Perez P.A.
Tampa, Florida
June 26, 2020

CHAMPIONS FOR CHILDREN, INC.

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

December 31, 2019



PRIDA, GUIDA & PEREZ, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
1106 N. FRANKLIN STREET
TAMPA, FLORIDA 33602

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

To the Board of Directors
Champions for Children, Inc.
Tampa, Florida

Report on Compliance for Each Major Federal Program

We have audited Champions for Children, Inc.'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 Champions for Children, Inc.'s major federal programs for the year ended December 31, 2019. Champions for Children, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Champions for Children, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the 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 Champions for Children, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE (Continued)**

Opinion on Each Major Federal Program

In our opinion, Champions for Children, 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, 2019.

Report on Internal Control over Compliance

Management of Champions for Children, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to previously. In planning and performing our audit of compliance, we considered Champions for Children, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Champions for Children, Inc.'s internal control over compliance.

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

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

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



Prida Guida Perez P.A.
Tampa, Florida
June 26, 2020

CHAMPIONS FOR CHILDREN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2019

CHAMPIONS FOR CHILDREN, INC.
Schedule of Findings and Question Costs
For the Year Ended December 31, 2019

Section 1 – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued Unmodified

Internal control over the financial reporting

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Award Programs

Internal Control over major programs

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? _____ yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.086	Healthy Marriage Promotion and Responsible Fatherhood Grants

Dollar threshold used to distinguish between type A and type B federal programs \$750,000

Auditee qualified as low-risk auditee? X yes _____ No

**CHAMPIONS FOR CHILDREN, INC.
Schedule of Findings and Question Costs
For the Year Ended December 31, 2019**

Section 2 – Financial Statement Findings

No matters were reported for the year ended December 31, 2019.

Section 3 – Federal Award Findings and Questioned Costs

No matters were reported for the year ended December 31, 2019.

Section 4 – Other Issues

A summary schedule of prior year audit findings is not presented because there were no prior year audit findings.