



Abrams
Foster
Nole &
Williams, P.A.

FAMILY LEAGUE OF BALTIMORE CITY, INC.

**Financial Statements
and
Independent Auditor's Report**

Years Ended June 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Family League of Baltimore City, Inc.
Baltimore, MD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Family League of Baltimore City, Inc. (the Organization) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family League of Baltimore City, Inc. as of June 30, 2023 and 2022, and the change in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family League of Baltimore City, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

Certified Public Accountants & Business Advisors

Responsibilities of Management for the Financial Statements (Continued)

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 Family League of Baltimore City, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Family League of Baltimore City, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family League of Baltimore City, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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 or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our 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*, we have also issued a report dated January 29, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 the Organization'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 Organization's internal control over financial reporting and compliance.



Abrams, Foster, Nole & Williams, P.A.
Certified Public Accountants
Baltimore, Maryland

January 29, 2024

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash, cash equivalent and restricted cash	\$ 10,131,646	\$ 3,550,096
Investments - cash equivalents	47,973	47,151
Accounts receivable	823	23,880
Grants receivable	3,129,598	8,118,415
Travel advances	-	104
Prepaid expenses	<u>37,882</u>	<u>25,643</u>
Total current assets	<u>13,347,922</u>	<u>11,765,289</u>
Property and Equipment		
Furniture and fixtures	177,074	177,074
Computer software and hardware	1,162,175	1,048,822
Equipment	16,658	16,658
Leasehold improvements	308,504	308,504
Right of use asset-operating	<u>381,256</u>	<u>714,060</u>
Total property and equipment	2,045,667	2,265,118
Less: accumulated depreciation	<u>(1,340,361)</u>	<u>(1,189,566)</u>
Net property and equipment	<u>705,306</u>	<u>1,075,552</u>
Total Assets	<u>\$ 14,053,228</u>	<u>\$ 12,840,841</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 3,474,135	\$ 4,530,485
Accrued expenses	1,219,810	1,669,753
Accrued salaries and wages	118,393	133,174
Accrued vacation	132,298	133,905
Operating lease liability	336,000	336,000
Deferred revenue	<u>4,531,820</u>	<u>2,208,271</u>
Total current liabilities	<u>9,812,456</u>	<u>9,011,588</u>
Non-Current Liabilities		
Operating lease liability, net of current	<u>45,256</u>	<u>378,060</u>
Total non-current liabilities	<u>45,256</u>	<u>378,060</u>
Total liabilities	<u>9,857,712</u>	<u>9,389,648</u>
Net Assets		
Without Donor Restrictions	4,158,705	3,405,930
With Donor Restrictions	<u>36,811</u>	<u>45,263</u>
Total net assets	<u>4,195,516</u>	<u>3,451,193</u>
Total Liabilities and Net Assets	<u>\$ 14,053,228</u>	<u>\$ 12,840,841</u>

“The accompanying notes are an integral part of the financial statements”

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Statement of Activities and Change in Net Assets
Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>
Support and Revenue			
Federal direct and passed-through grants	\$ 2,328,994	\$ -	\$ 2,328,994
Other governmental grants	20,848,311	-	20,848,311
Corporate grants, contracts and awards	41,223	430,000	471,223
Contributions	32,550	-	32,550
Fee for service	2,500	-	2,500
Employee Retention Tax Credit	898,620	-	898,620
Other income	<u>14,106</u>	<u>-</u>	<u>14,106</u>
Total	24,166,304	430,000	24,596,304
Net assets released from restrictions	<u>438,452</u>	<u>(438,452)</u>	<u>-</u>
Total support and revenue	<u>24,604,756</u>	<u>(8,452)</u>	<u>24,596,304</u>
Expenses			
Program services			
School age and high school programs	13,051,072	-	13,051,072
Early childhood programs	6,753,302	-	6,753,302
Food access programs	2,160,930	-	2,160,930
Community small grants	<u>200,902</u>	<u>-</u>	<u>200,902</u>
Total program services	<u>22,166,206</u>	<u>-</u>	<u>22,166,206</u>
Supporting services			
General and administrative	<u>1,685,775</u>	<u>-</u>	<u>1,685,775</u>
Total supporting services	<u>1,685,775</u>	<u>-</u>	<u>1,685,775</u>
Total expenses	<u>23,851,981</u>	<u>-</u>	<u>23,851,981</u>
Increase (Decrease) in net assets	752,775	(8,452)	744,323
Net assets at beginning of year	<u>3,405,930</u>	<u>45,263</u>	<u>3,451,193</u>
Net Assets at End of Year	<u>\$ 4,158,705</u>	<u>\$ 36,811</u>	<u>\$ 4,195,516</u>

“The accompanying notes are an integral part of the financial statements”

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Statement of Activities and Change in Net Assets
Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
Support and Revenue			
Federal direct and passed-through grants	\$ 5,540,600	\$ -	\$ 5,540,600
Other governmental grants	20,333,464	-	20,333,464
Corporate grants, contracts and awards	44,996	395,000	439,996
Contributions	72,999	-	72,999
Fee for Service	106,500	-	106,500
PPP loan forgiveness	655,000	-	655,000
Other income	<u>3,689</u>	<u>-</u>	<u>3,689</u>
Total	26,757,248	395,000	27,152,248
Net assets released from restrictions	<u>398,465</u>	<u>(398,465)</u>	<u>-</u>
Total support and revenue	<u>27,155,713</u>	<u>(3,465)</u>	<u>27,152,248</u>
Expenses			
Program services			
School age and high school programs	14,436,165	-	14,436,165
Early childhood programs	6,443,351	-	6,443,351
Food access programs	2,332,999	-	2,332,999
ARPA childcare stability grant	1,895,000	-	1,895,000
Community small grants	<u>18,750</u>	<u>-</u>	<u>18,750</u>
Total program services	<u>25,126,265</u>	<u>-</u>	<u>25,126,265</u>
Supporting services			
General and administrative	<u>1,965,899</u>	<u>-</u>	<u>1,965,899</u>
Total supporting expenses	<u>1,965,899</u>	<u>-</u>	<u>1,965,899</u>
Total expenses	<u>27,092,164</u>	<u>-</u>	<u>27,092,164</u>
Increase (Decrease) in net assets	63,549	(3,465)	60,084
Net assets at beginning of year	<u>3,342,381</u>	<u>48,728</u>	<u>3,391,109</u>
Net Assets at End of Year	<u>\$ 3,405,930</u>	<u>\$ 45,263</u>	<u>\$ 3,451,193</u>

“The accompanying notes are an integral part of the financial statements”

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Statement of Functional Expenses
Year Ended June 30, 2023

	<u>Program Services</u>				<u>Supporting Services</u>		<u>2023 Total</u>
	<u>School Age and High School Programs</u>	<u>Early Childhood Programs</u>	<u>Food Access Programs</u>	<u>Community Small Grants</u>	<u>Total Program Services</u>	<u>General & Administrative</u>	
Salaries and wages	\$ 942,128	\$ 380,217	\$ 128,521	\$ -	\$ 1,450,866	\$ 1,507,875	\$ 2,958,741
Fringe benefits	282,374	113,779	40,796	-	436,949	375,001	811,950
Direct service awards	10,544,740	5,796,523	349,999	188,750	16,880,012	-	16,880,012
Program costs	39,202	18,252	1,534,213	-	1,591,667	-	1,591,667
Consultants	152,643	62,975	2,700	-	218,318	377,886	596,204
Training	56,026	20,508	-	5,460	81,994	23,886	105,880
Rent	-	-	-	-	-	355,401	355,401
Office supplies and expenses	552	449	337	-	1,338	6,429	7,767
Equipment rental and expense	6,656	-	-	-	6,656	45,242	51,898
Legal and accounting	-	-	-	-	-	66,676	66,676
Depreciation	-	-	-	-	-	150,795	150,795
Communication	16,300	5,000	2,400	-	23,700	40,276	63,976
Printing and duplicating	5,427	535	84	-	6,046	873	6,919
Travel	6,217	5,930	1,072	-	13,219	12,610	25,829
Dues and subscriptions	316	-	300	-	616	58,710	59,326
Temporary help	-	-	26,116	-	26,116	7,031	33,147
Insurance	-	-	-	-	-	34,340	34,340
Advertising	-	-	-	-	-	308	308
Fees	-	-	-	-	-	29,591	29,591
Other expenses	-	-	-	-	-	6,852	6,852
Storage	-	-	-	-	-	13,978	13,978
Postage	-	-	-	-	-	724	724
Sub total	<u>12,052,581</u>	<u>6,404,168</u>	<u>2,086,538</u>	<u>194,210</u>	<u>20,737,497</u>	<u>3,114,484</u>	<u>23,851,981</u>
Indirect Cost Allocation	<u>998,491</u>	<u>349,134</u>	<u>74,392</u>	<u>6,692</u>	<u>1,428,709</u>	<u>(1,428,709)</u>	<u>-</u>
Total expenses	<u>\$ 13,051,072</u>	<u>\$ 6,753,302</u>	<u>\$ 2,160,930</u>	<u>\$ 200,902</u>	<u>\$ 22,166,206</u>	<u>\$ 1,685,775</u>	<u>\$ 23,851,981</u>

“The accompanying notes are an integral part of the financial statements”

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Statement of Functional Expense
Year Ended June 30, 2022

	<u>Program Services</u>					<u>Supporting Services</u>		<u>2022 Total</u>
	<u>School Age and High School Programs</u>	<u>Early Childhood Programs</u>	<u>Food Access Programs</u>	<u>ARPA Childcare Stability Emergency Funds</u>	<u>Community Small Grants</u>	<u>Total Program Services</u>	<u>General & Administrative</u>	
Salaries and wages	\$ 749,769	\$ 292,892	\$ 197,463	\$ -	\$ -	\$ 1,240,124	\$ 1,841,760	\$ 3,081,884
Fringe benefits	227,036	88,196	59,890	-	-	375,122	413,048	788,170
Direct service awards	12,170,150	5,532,269	407,130	1,880,000	18,750	20,008,299	-	20,008,299
Program costs	26,010	44,274	1,410,347	-	-	1,480,631	-	1,480,631
Consultants	309,259	96,428	-	15,000	-	420,687	335,309	755,996
Training	30,389	26,366	3,628	-	-	60,383	39,265	99,648
Rent	-	-	-	-	-	-	338,777	338,777
Office supplies and expenses	1,485	2,247	56	-	-	3,788	9,768	13,556
Equipment rental and expense	422	-	-	-	-	422	49,033	49,455
Legal and accounting	-	-	-	-	-	-	61,330	61,330
Depreciation	-	-	-	-	-	-	131,071	131,071
Communication	15,600	6,000	3,400	-	-	25,000	52,198	77,198
Printing and duplicating	950	199	-	-	-	1,149	2,147	3,296
Travel	457	-	526	-	-	983	4,436	5,419
Dues and subscriptions	10,000	5,000	350	-	-	15,350	90,235	105,585
Temporary help	-	-	-	-	-	-	4,000	4,000
Insurance	-	-	-	-	-	-	30,936	30,936
Interest expense	-	-	-	-	-	-	9,661	9,661
Advertising	-	-	-	-	-	-	10,000	10,000
Fees	-	-	-	-	-	-	23,910	23,910
Other expenses	-	-	-	-	-	-	2,838	2,838
Storage	-	-	-	-	-	-	10,163	10,163
Postage	-	-	-	-	-	-	341	341
Sub total	<u>13,541,527</u>	<u>6,093,871</u>	<u>2,082,790</u>	<u>1,895,000</u>	<u>18,750</u>	<u>23,631,938</u>	<u>3,460,226</u>	<u>27,092,164</u>
Indirect Cost Allocation	<u>894,638</u>	<u>349,480</u>	<u>250,209</u>	<u>-</u>	<u>-</u>	<u>1,494,327</u>	<u>(1,494,327)</u>	<u>-</u>
Total expenses	<u>\$ 14,436,165</u>	<u>\$ 6,443,351</u>	<u>\$ 2,332,999</u>	<u>\$ 1,895,000</u>	<u>\$ 18,750</u>	<u>\$ 25,126,265</u>	<u>\$ 1,965,899</u>	<u>\$ 27,092,164</u>

“The accompanying notes are an integral part of the financial statements”

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 744,323	\$ 60,084
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:		
Depreciation	150,795	131,071
PPP loan forgiveness	-	(655,000)
Changes in assets and liabilities		
(Increase) decrease in assets		
Accounts receivable, net	23,057	(12,230)
Grants receivable	4,988,817	(3,951,871)
Travel advances	104	(104)
Prepaid expenses	(12,239)	(17,671)
Increase (decrease) in liabilities		
Accounts payable	(1,056,350)	(105,669)
Accrued salaries and wages	(449,943)	305,047
Accrued vacation	(14,781)	(3,808)
Accrued expenses	(1,607)	(22,743)
Deferred revenue	2,323,549	(627,339)
Total adjustments	<u>5,951,402</u>	<u>(4,960,317)</u>
Net cash provided (used) by operating activities	<u>6,695,725</u>	<u>(4,900,233)</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	<u>(113,353)</u>	<u>(127,061)</u>
Net cash (used) for investing activities	<u>(113,353)</u>	<u>(127,061)</u>
Net increase (decrease) in cash	6,582,372	(5,027,294)
Cash, cash equivalents and restricted cash at beginning of year	<u>3,597,247</u>	<u>8,624,541</u>
Cash, Cash Equivalents and Restricted Cash at End of Year	<u>\$ 10,179,619</u>	<u>\$ 3,597,247</u>
Supplemental Disclosure		
Interest expense paid	<u>\$ -</u>	<u>\$ 9,661</u>

“The accompanying notes are an integral part of the financial statements”

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Financial Statements
June 30, 2023 and 2022

1. NATURE OF ACTIVITIES

Family League of Baltimore City, Inc. (the Organization) is a 501(c)(3) nonprofit that was incorporated in the state of Maryland in April 1991. The Organization supports data-informed, community-driven solutions that align resources to dismantle the systemic barriers which limit the possibilities for children, families, and communities. The Organization carries out its' mission through management and oversight of the work of its' partners, oversight of the Local Care Team (LCT) for Baltimore, programs that focus on education, and child, youth and family support, and advocating for public policy that insures children and families in the City of Baltimore are thriving.

The Organization currently has projects operating to serve the needs of children and families including:

School Age and High School – Family League serves as a facilitating partner for the Community School strategy in partnership with Baltimore City Public Schools, The Mayor's Office, and Baltimore City Council. The Baltimore Community School Strategy is composed of two critical components: Community Schools and Out-of-School (OST) programs.

A Community School is an integrated and multidisciplinary strategy to promote student and community success. The purpose of the Community School Strategy is to ensure all students in Baltimore City Public Schools are learning and succeeding through an integrated focus on academics, health and social services, child and community development, college and career readiness, family and community engagement. The CS Strategy is an evidence-based approach to addressing inequities in areas of concentrated poverty. All stakeholders come together to build relationships and power to challenge systems that perpetuate inequities, while creating positive school climates that facilitate learning, growth, and strong, vibrant families and communities. In FY23, in partnership with 17 community-based partners, over 25,000 youth and families in 43 community schools had access to resources that supported positive outcomes.

Out-of-School Time (OST): Out of School Time (OST) is an integral part of the Community School (CS) Strategy in Baltimore. OST is a program providing before, after-school, weekend, and/or summer learning opportunities for children at a Community School that uses a youth development lens to enhance the core academic program of the Community School and is aligned with classroom learning. OST programs provide students with the opportunity to explore new ideas, build 21st century skills, find new talents and experience success. In FY 23, in partnership with 17 community-based organizations, Family League provided funding that supported 43 out-of-school-time programs in 43 community schools. That represents 2,340 seats for students in grades K-12. The funded OST programs served a total of 2,813 students in FY23.

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Financial Statements
June 30, 2023 and 2022

2. NATURE OF ACTIVITIES (Continued)

School Age and High School (continued)

In addition, the Organization supported 23 Expanded Youth Programs serving youth and young adults, Pre-K - age 24 operating in mostly community-based settings and 8 programs operating during the summer months (via The Summer Funding Collaborative). Over 1,800 youth participated in diverse single focused and comprehensive Expanded Youth Programs. Additionally, 1,138 youth were served in over 40 recreation centers across Baltimore City in partnership with Baltimore City Recreation and Parks.

Family Stability Program (FSP) – FSP consists of clinicians, student interns, and staff using an antiracist lens and the racially-just interventions of the SHARP Model as they collaborate with parents, caregivers, and families to assist them in meeting their basic needs and in some cases supporting the family through emergency utility service needs. The program works as a family preservation, stability, and neglect prevention service provider in Baltimore City. For the fiscal year ended June 30, 2023, 102 families were served.

The Family Recovery Program (FRP) – FRP aligns parents with the treatment services, community resources, and a safe and supportive environment to rebuild, reinvest, and reunify with their child(ren). The work of the FRP as the Family Dependency Court for Baltimore City, focuses on reducing a child’s length of stay within the foster care system by providing a full range of services to the family. For the fiscal years ended June 30, 2023 and 2022, there were 115 and 112 families served, respectively.

Baltimore City Local Care Team (LCT) -Family League oversees the work of a group of leaders within local agencies, direct service providers, and stakeholders that come together to offer navigation support and resource recommendations for youth and families with children that have intensive care needs.

The LCT is vital to supporting the healthy and safe development of children by diverting youth from out-of-state placements with the provisions of timely and effective resource recommendations that are available within the youth’s community.

Early Childhood – This initiative focuses on reducing infant mortality through improving policies, referral systems and services in Baltimore City through collaboration with community-based organizations. Programs include Healthy Families/Home Visiting, which provides comprehensive home visiting and family support services to pregnant women and parents of young children living in Baltimore City and Family Child Care sponsorship, which supports 105 home-based childcare sites.

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Financial Statements
June 30, 2023 and 2022

1. NATURE OF ACTIVITIES (Continued)

Early Childhood (continued)

The School Readiness component of this initiative supports young people's success by working intentionally and collaboratively with stakeholders (including parents) to ensure young children have the necessary skills, knowledge, and abilities upon entering Kindergarten. Family League serves as the co-lead along with Baltimore City Public Schools and the Baltimore City Child Care Coalition for the Early Childhood Advisory Council (ECAC), recognized by Maryland State Department of Education as the single early childhood body in Baltimore City responsible for: conducting regular needs assessments of the quality and availability of early childhood programs, increasing participation in existing programs, and participating in family engagement efforts.

Family League also supports 3 community-based organizations to operate Home Instruction for Parents of Preschool Youngsters (HIPPO), evidence-based programming in 3 communities (West, East and South Baltimore). This programming utilizes a home visit structure to support parents as their child's first teacher. Through intentionally engaging parents in early learning curriculum, parents can then teach their children. In Fiscal Year 2023, community-based partners, Park Heights Renaissance, University of Maryland Baltimore County, and Learning How supported over 73 families through HIPPO programming.

Food Access – In FY23 Family League served as the sponsor for both the school year Snack and Supper Program, providing 189,795 snacks and 184,199 suppers at 64 sites in Baltimore City, and the Family Child Care Program (FCCP), which worked with 105 family childcare providers, ensuring healthy meals are served to children year-round.

ARPA Grants

During the year ended June 30, 2022, the City of Baltimore received American Rescue Plan Act (ARPA) funding as a subrecipient. In an effort to support local childcare providers, the City issued a \$2,000,000 grant to Family League to regrant funds to licensed family and center-based providers. One hundred eighty-two childcare providers received awards up to \$30,000 for licensed childcare centers and up to \$10,000 for registered family childcare homes to support costs including, personal protection equipment (PPE), payroll, COVID related supplies, rent and other business-critical cash operating costs.

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Financial Statements
June 30, 2023 and 2022

1. NATURE OF ACTIVITIES (Continued)

Adaptive Village Small Community Grants

In collaboration with Morgan State University and in Partnership with CLLCTIVLY and Share Our Strength, Family League of Baltimore committed over \$200,000 in small grants to 21 non-profit and community-based organizations in Baltimore City with a focus on East Baltimore.

Applications to this program were submitted to CLLCTIVLY and evaluated by the public to ensure true community input. As of June 30, 2023 and 2022, \$181,250 and \$200,902, respectively in awards have been issued.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements of the Organization are prepared in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as the source of authoritative accounting principles generally accepted in the United States of America on the accrual basis of accounting with a fiscal year ending June 30.

B. Basis of Presentation

The Organization is required to report its financial statements in accordance with Accounting Standards Board's Accounting Standards Update No. 2016-14 – *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in the financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with United States generally accepted accounting principles. Net assets, revenues, expenses, gains and losses are reported based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Financial Statements
June 30, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (continued)

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

The Organization's net assets with donor restrictions was \$36,811 and \$45,263 as of June 30, 2023 and 2022, respectively.

C. Cash, cash equivalents and restricted cash

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

The Organization adopted the requirements in accordance with Accounting Standards Board's Accounting Standards Update No. 2016-18-Not-for-Profit Entities (Topic 230): Classification of Certain Cash Receipts and Cash Payments (ASU 2016-18). This update addresses diversity in presentation of the Statements of Cash Flows. Cash, cash equivalents, restricted cash, and restricted cash equivalents that are presented in more than one line on the statements of financial position are now required to either be presented on the face of the statements of cash flows or disclosed in the notes to the financial statements.

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Financial Statements
June 30, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash, cash equivalents and restricted cash (continued)

As of June 30, 2023 and 2022, cash, cash equivalents and restricted cash on the Statements of Financial Position are as:

	2023	2022
Cash and cash equivalents	\$ 10,131,646	\$ 3,550,096
Cash held in investments	47,973	47,151
Total cash, cash equivalents	<u>\$ 10,179,619</u>	<u>\$ 3,597,247</u>

D. Accounts and Grants Receivable

Accounts and grants receivable are recorded upon accrual of revenue earned based upon fulfillment of grant terms and conditions by the Organization, less an allowance for doubtful accounts. For the years ended June 30, 2023 and 2022, management has not recorded an allowance for doubtful accounts as the Organization deems all accounts fully collectible.

E. Revenue Recognition

A major portion of the support for the Organization was provided by grants from the Maryland State Department of Education and City of Baltimore. These funds are recognized as revenue when the conditions for revenue recognition has been met.

Contributions received by the Organization are treated as net assets without donor restrictions, unless restricted by the donor.

F. Income Taxes

Under the provisions of Section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from Federal and state income taxes, except for unrelated business income, if any. Accordingly, no provision for income taxes has been made in the accompanying financial statements. An informational tax return Form 990 is filed annually.

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Financial Statements
June 30, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Income Taxes (continued)

The Internal Revenue Service has not examined (audited) any income tax returns of the Organization; thus, the previous three years are subject to examination. The Organization has not taken any questionable tax positions.

G. 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 the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

H. Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

I. Concentration of Revenue Sources

Approximately 96 percent of the Organization's revenue is derived from grants with the state and federal governments and passed through to nonprofit organizations. There is an administrative fee assessed to each grant ranging from 10 to 14 percent. The level of the Organization's operations and program services will be impacted or segments discontinued if funding is not provided as scheduled.

J. Advertising

All advertising costs are expensed as incurred. The Organization's advertising expenses were \$29,591 and \$10,000 for the years ended June 30, 2023 and 2022, respectively.

K. Property and Equipment

Property and equipment purchased in excess of \$1,000, with an estimated useful life of more than one year are capitalized at cost and depreciated over the estimated useful lives of the assets using the straight-line method once the asset is placed into service. Gifts of long-lived assets are recorded at their fair values when donated. Expenditures for minor repairs are expensed as incurred. Depreciation expense for the years ended June 30, 2023 and 2022 was \$150,795 and \$131,071, respectively.

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Financial Statements
June 30, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Deferred Revenue

Deferred revenue is primarily related to State and local governmental and foundation grants that have advanced funds to the Organization. Revenue will be recognized once services are rendered and costs incurred under the conditions of the grants. Deferred revenue for the years ended June 30, 2023 and 2022 was \$4,531,820 and \$2,208,271, respectively.

3. AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 10,179,619	\$ 3,597,247
Accounts receivable	823	23,880
Grants receivable	<u>3,129,598</u>	<u>8,118,415</u>
Total financial assets	13,310,040	11,739,542
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(36,811)</u>	<u>(45,263)</u>
Financial assets available to meet general expenses over the next twelve months	<u>\$ 13,273,229</u>	<u>\$ 11,694,279</u>

The Organization’s policy is to structure its financial assets to be available for its general expenditures, liabilities and other obligations as they come due. To help manage unanticipated liquidity needs, the Organization has a \$4,000,000 line of credit available for use.

4. FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash in several financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) for a maximum of \$250,000 for all account types per depositor. The risk is managed by maintaining all deposits in high quality financial institutions. At June 30, 2023 and 2022, the Organization had \$9,881,646 and \$3,299,596, respectively, in cash accounts exceeding the FDIC coverage limitation. The Organization has not experienced any losses in such accounts.

5. LINE OF CREDIT

The Organization maintains a line of credit with a financial institution under which it can borrow up to \$4,000,000 as mentioned in Note 3 with an expiration date of February 28, 2024. The line of credit bears interest at the higher (A) the Prime Rate, and (B) the sum of the Overnight Bank Funding Rate plus 50 basis points.

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Financial Statements
June 30, 2023 and 2022

6. CONTRIBUTIONS AND GRANTS

The Organization reports gifts of cash and other assets as without donor restricted support available for general operations unless specifically restricted by the donor. When a donor-imposed restriction expires, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities and change in net assets as net assets released from restrictions.

7. ACCOUNTS AND GRANTS RECEIVABLE

Accounts and grants receivable as of June 30, 2023 and 2022 consisted of reimbursements due from Organization administrative fees for service and grant contributions made in 2023 that were received subsequent to the year ended. Accounts and grants receivable are as follows:

	2023	2022
Accounts Receivable	\$ 823	\$ 23,880
Grants Receivable	3,129,598	8,118,415
Total	\$ 3,130,421	\$ 8,142,295

There is no allowance for doubtful accounts at June 30, 2023 and 2022, respectively. The Organization has determined all receivables to be fully collectible.

8. PAYCHECK PROTECTION PROGRAM LOAN

In August 2020, the Organization received \$655,000 under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at one percent, but payments are not required to begin for six months after funding of the loan unless extended. On November 3, 2021, the loan was fully forgiven.

9. COMPLIANCE WITH GRANTOR RESTRICTIONS

Financial assistance from Federal, State, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Financial Statements
June 30, 2023 and 2022

10. DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan available to all eligible employees. The Organization contributes five percent of eligible employee salaries to the plan. Individual employees are not required to contribute to the plan. For the years ended June 30, 2023 and 2022, the Organization contributed \$128,989 and \$132,199, respectively to the plan.

11. LEASES

The Organization maintains an operating lease principally for office space through August 31, 2024.

In June 2020, the FASB issued ASU 2020-05, "Leases (Topic 842): Effective Dates for Certain Entities." Under the new standards, lessees will need to recognize a right-of-use asset and a lease liability for virtually all their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. For income statement purposes, the FASB continued the dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are largely similar to those applied to current lease accounting. Extensive quantitative and qualitative disclosures will be required to provide greater insight into the extent of revenue and expense recognized and expected to be recognized from existing contracts.

The Organization elected to early adopt the ASU 2020-05 standard, effective July 1, 2020. As a result, the right of use asset and liability has been calculated using the present value of the remaining lease payments. The Organization will be required to calculate the present value at the end of each year. The asset will be depreciated on a straight-line basis and the amortized present value discount for the year will be recorded as rent expense. Monthly rental payments will still be captured as rent expense.

Future minimum payments under the agreement as of June 30, 2023, are as follows:

Years Ending June 30,	Amount
2024	\$ 336,000
2025	56,000
Total	392,000
Less: present value discount	(10,744)
Total present value of Right of Use asset and liability	\$ 381,256

For the year ended June 30, 2023, amount charged to rent expense was \$355,401.

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Financial Statements
June 30, 2023 and 2022

12. RELATED PARTY TRANSACTIONS

During the normal course of business, the Organization contracts with a variety of service providers in the Baltimore-Metropolitan area. On occasion, requests for proposals are issued by the Organization and replies are received by companies who have members serving on the Organization's Board of Directors. When this situation arises, the Board member's application is treated as an "arm's length transaction." Board members with funding requests pending are ineligible to vote on matters where they maintain a direct financial interest. Also, the Board members are not able to vote on the funding of other organizations with whom they are competing. At the beginning of each fiscal year, all Board members must also sign a conflict of interest statement. There were no related party transaction for the years ended June 30, 2023 and 2022.

13. SUBSEQUENT EVENTS

Management continues to evaluate the effects of the COVID-19 matter, considering the facts and circumstances related to the impact of the virus on the Organization, the specific impact is still not readily determinable as of the date of the financial statements.

In accordance with Financial Accounting Standards Board Accounting Standards Codification ASC 855, management has evaluated subsequent events through the date the financial statements were available to be issued on January 29, 2024, and determined there were no material transactions to disclose.

SUPPLEMENTARY INFORMATION

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Pass-through Maryland State Department of Education Child and Adult Care Food Program	10.558	347224	\$ 806,655	\$ 966,247
Total U.S. Department of Agriculture			<u>806,655</u>	<u>966,247</u>
U.S. Department of Health and Human Services				
Pass-through Baltimore City Health Department Maternal, Infant, and Early Childhood Home Visiting Cluster Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	BCHD934	1,077,074	1,362,747
Total U.S. Department of Health and Human Services			<u>1,077,074</u>	<u>1,362,747</u>
Total Expenditures of Federal Awards			<u>\$ 1,883,729</u>	<u>\$ 2,328,994</u>

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2023. 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 Organization, it is not intended to and does not present the financial position, change in net assets or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. 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. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
- b. The Organization has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**GOVERNMENT AUDITING STANDARDS 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**



Abrams
Foster
Nole &
Williams, P.A.

**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**

Independent Auditor's Report

To the Board of Directors
Family League of Baltimore City, Inc.
Baltimore, MD

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 Family League of Baltimore City, Inc. (the Organization) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities and change in net assets, 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 January 29, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Certified Public Accountants & Business Advisors

Internal Control over Financial Reporting (Continued)

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 entity'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.



Abrams, Foster, Nole & Williams, P.A.
Certified Public Accountants Baltimore,
Maryland

January 29, 2024

**SINGLE AUDIT REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**



Abrams
Foster
Nole &
Williams, P.A.

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

Independent Auditor's Report

To the Board of Directors
Family League of Baltimore City, Inc.
Baltimore, MD

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Family League of Baltimore City, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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 Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination the Organization's compliance with the compliance requirements referred to above.

Certified Public Accountants & Business Advisors

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 Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance and is 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 judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization'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 Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Abrams, Foster, Nole & Williams, P. A.
Certified Public Accountants Baltimore,
Maryland

January 29, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FAMILY LEAGUE OF BALTIMORE CITY, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I – Summary of Auditor’s Results (Continued)

Identification of major programs:

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>
10.558	Child and Adult Care Food Program

Dollar threshold used to distinguish
between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? _____yes X no

Section II – Financial Statements Findings

No Findings.

Section III – Federal Award Findings and Questioned Costs

No Findings.

Section IV – Summary Schedule of Prior Audit Findings

No Findings.



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