

**COMPASS, INC.**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2023 & 2022**

## COMPASS, INC.

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of Compass, Inc.  
Lake Worth, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Compass, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Compass, Inc. as of June 30, 2023 and 2022, 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Compass, Inc. and to meet our other ethical responsibilities, in accordance with the 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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Compass, 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 the Compass, 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 the Compass, 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. 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 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 our report dated December 31, 2023 on our consideration of the Compass, 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 the Compass, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Compass, Inc.'s internal control over financial reporting and compliance.

/s/ Liggett & Webb, P.A.

LIGGETT & WEBB, P.A.  
*Certified Public Accountants*

Boynton Beach, Florida  
December 31, 2023

**COMPASS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
Cash	\$ 2,045,270	\$ 1,580,673
Grants receivable	609,342	721,308
Promises to Give and Fundraising Receivable	87,391	-
Prepaid expenses	5,321	5,321
<b>Total current assets</b>	2,747,324	2,307,302
Deposits and Other Assets	-	4,950
Property and Equipment, net	562,505	578,316
Right to Use Assets	1,365,364	-
<b>Total assets</b>	\$ 4,675,193	\$ 2,890,568
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 75,183	\$ 72,891
Accrued expenses	39,399	35,563
Operating Liability	15,857	-
Loans, current	-	-
<b>Total current liabilities</b>	130,439	108,454
Operating Liability, net of current portion	1,349,507	-
Build out advance	178,303	238,756
<b>Total Long term liabilities</b>	1,527,810	238,756
<b>Total liabilities</b>	1,658,249	347,210
Net Assets		
Without Donor Restrictions	3,016,944	2,540,932
With Donor Restrictions	-	2,426
<b>Total net assets</b>	3,016,944	2,543,358
<b>Total liabilities and net assets</b>	\$ 4,675,193	\$ 2,890,568

See Accompanying Notes to Financial Statements

**COMPASS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>			<b>2022</b>		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support, Revenues and Reclassifications</b>						
Contributions	\$ 496,077	\$ -	\$ 496,077	\$ 584,478	\$ 2,426	\$ 586,904
Federal financial assistance	1,665,600	-	1,665,600	1,349,323	-	1,349,323
Local financial assistance	287,368	-	287,368	147,967	-	147,967
340B Program Income, net	414,862	-	414,862	420,773	-	420,773
Outreach activities	303,689	-	303,689	348,983	-	348,983
Fundraising activities, net	440,301	-	440,301	322,908	-	322,908
Net assets released from restrictions						
Satisfaction of purpose restrictions	2,426	(2,426)	-	51,250	(51,250)	-
<b>Total public support, revenues     and reclassifications</b>	<b>3,610,322</b>	<b>(2,426)</b>	<b>3,607,896</b>	<b>3,225,682</b>	<b>(48,824)</b>	<b>3,176,858</b>
<b>Expenses</b>						
Program Services						
Youth	329,773	-	329,773	252,218	-	252,218
HIV Prevention	252,003	-	252,003	234,131	-	234,131
Ryan White Title I	1,469,910	-	1,469,910	1,381,224	-	1,381,224
Clic & 340B	404,208	-	404,208	275,996	-	275,996
Outreach activities	410,714	-	410,714	419,743	-	419,743
Supporting Services						
General and administrative	166,446	-	166,446	183,033	-	183,033
Fundraising	101,256	-	101,256	237,884	-	237,884
<b>Total expenses</b>	<b>3,134,310</b>	<b>-</b>	<b>3,134,310</b>	<b>2,984,229</b>	<b>-</b>	<b>2,984,229</b>
<b>Change in net assets</b>	<b>476,012</b>	<b>(2,426)</b>	<b>473,586</b>	<b>241,453</b>	<b>(48,824)</b>	<b>192,629</b>
Net assets at beginning of year	2,540,932	2,426	2,543,358	2,299,479	51,250	2,350,729
Net assets at end of year	<b>\$ 3,016,944</b>	<b>\$ -</b>	<b>\$ 3,016,944</b>	<b>\$ 2,540,932</b>	<b>\$ 2,426</b>	<b>\$ 2,543,358</b>

See Accompanying Notes to Financial Statements.

**COMPASS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Youth	HIV Prevention	Ryan White Title I	Clinic & 340B	Outreach	Program Total	Fundraising	General & Admin.	Total Expenses
Salaries	\$ 166,641	\$ 128,115	\$ 386,645	\$ 203,703	\$ 166,294	\$ 1,051,398	\$ 20,345	\$ 114,456	\$ 1,186,199
Employee health benefits	27,547	26,155	73,924	20,911	20,288	168,825	1,556	11,177	181,558
Payroll taxes	17,552	13,796	41,294	21,275	17,353	111,270	2,079	11,967	125,316
<b>Total salaries and related expenses</b>	<b>211,740</b>	<b>168,066</b>	<b>501,863</b>	<b>245,889</b>	<b>203,935</b>	<b>1,331,493</b>	<b>23,980</b>	<b>137,600</b>	<b>1,493,073</b>
									-
Advertising	1,238	20	3,032	1,364	5,848	11,502	227	-	11,729
Depreciation and amortization	3,905	11,716	23,432	9,373	19,526	67,952	7,811	2,343	78,106
Dues & Subscriptions	29	186	176	71	3,493	3,955	1,314	2,111	7,380
Education and training	2,503	15	15	11,753	1,620	15,906	261	665	16,832
Equipment/Furniture Lease	3,561	1,400	2,801	8,541	2,361	18,664	1,432	-	20,096
Food and beverage	2,516	-	-	421	24,826	27,763	1,067	-	28,830
Insurance	1,021	3,062	6,123	2,449	5,102	17,757	-	2,653	20,410
Program Expense (program direct, client)	72,387	4,035	817,435	46,258	9,415	949,530	1,402	-	950,932
Bank Fees	-	-	-	-	4,857	4,857	4,975	-	9,832
Postage	54	1,661	277	116	5,628	7,736	203	31	7,970
Printing	628	220	441	176	8,635	10,100	1,497	45	11,642
Professional fees	2,480	7,440	14,880	5,952	12,400	43,152	4,960	1,488	49,600
Rent (incl In Kind )	12,126	36,377	72,754	29,102	60,628	210,987	24,251	7,275	242,513
Repairs and maintenance	1,056	3,102	6,209	9,376	4,928	24,671	2,729	3,073	30,473
Supplies	4,596	1,096	3,385	1,316	16,080	26,473	6,820	456	33,749
Taxes and licenses	120	184	-	25	277	606	250	1,080	1,936
Tele, Internet (Comms)	1,095	3,260	7,261	8,165	5,510	25,291	2,173	768	28,232
Travel and transportation	7,080	5,250	-	19,708	7,829	39,867	12,629	5,727	58,223
Utilities	1,638	4,913	9,826	4,153	7,816	28,346	3,275	1,131	32,752
<b>Total expenses</b>	<b>\$ 329,773</b>	<b>\$ 252,003</b>	<b>\$ 1,469,910</b>	<b>\$ 404,208</b>	<b>\$ 410,714</b>	<b>\$ 2,866,608</b>	<b>\$ 101,256</b>	<b>\$ 166,446</b>	<b>\$ 3,134,310</b>

See Accompanying Notes to Financial Statements.

**COMPASS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Youth	HIV Prevention	Ryan White Title I	Clinic & 340B	Outreach	Program Total	Fundraising	General & Admin.	Total Expenses
Salaries	\$ 88,115	\$ 113,173	\$ 301,079	\$ 155,651	\$ 117,045	\$ 775,063	\$ 39,287	\$ 122,784	\$ 937,134
Employee health benefits	16,454	19,582	59,261	22,721	16,303	134,321	7,139	19,105	160,565
Payroll taxes	9,593	10,558	32,756	6,257	13,879	73,043	3,953	11,058	88,054
<b>Total salaries and related expenses</b>	<b>114,162</b>	<b>143,313</b>	<b>393,096</b>	<b>184,629</b>	<b>147,227</b>	<b>982,427</b>	<b>50,379</b>	<b>152,947</b>	<b>1,185,753</b>
Advertising	53	933	365	723	3,274	5,348	2,040	-	7,388
Bad Debt Expense	-	-	-	-	-	-	-	471	471
Depreciation and amortization	3,612	10,837	21,674	8,670	18,062	62,855	7,226	2,167	72,248
Dues & Subscriptions	259	776	-	-	3,621	4,656	517	-	5,173
Education and training	125	540	725	4,988	1,282	7,660	5,627	175	13,462
Equipment lease	593	2,040	4,223	13,132	4,686	24,674	6,693	1,320	32,687
Food and beverage	969	-	-	308	3,537	4,814	14,069	51	18,934
Outreach workers and Professional services volunteers (In Kind)	836	2,508	5,017	-	4,181	12,542	3,679	502	16,723
Insurance	1,660	3,371	6,741	2,552	5,618	19,942	2,247	282	22,471
Program Expense (client, event, direct)	93,110	5,428	786,982	-	103,171	988,691	131,249	-	1,119,940
Bank Fees	-	-	-	-	9,501	9,501	165	1,315	10,981
Postage	136	399	541	-	1,913	2,989	1,698	13	4,700
Printing	319	700	1,292	350	9,243	11,904	2,954	22	14,880
Professional fees	2,349	3,050	8,971	13,433	3,375	31,178	1,156	4,899	37,233
Rent (incl. In Kind)	24,854	46,601	130,483	15,534	77,668	295,140	-	15,534	310,674
Repairs and maintenance	1,540	2,206	4,470	17,151	4,791	30,158	809	855	31,822
Supplies	3,951	4,040	2,243	1,757	6,811	18,802	4,993	279	24,074
Taxes and licenses	19	28	52	24	95	218	422	1,600	2,240
Telephone, Internet (Communications)	1,758	2,942	6,427	7,494	4,942	23,563	1,961	256	25,780
Travel and transportation	63	586	-	34	356	1,039	-	-	1,039
Utilities	1,850	3,833	7,922	5,217	6,389	25,211	-	345	25,556
<b>Total expenses</b>	<b>\$ 252,218</b>	<b>\$ 234,131</b>	<b>\$ 1,381,224</b>	<b>\$ 275,996</b>	<b>\$ 419,743</b>	<b>\$ 2,563,312</b>	<b>\$ 237,884</b>	<b>\$ 183,033</b>	<b>\$ 2,984,229</b>

See Accompanying Notes to Financial Statements

**COMPASS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
Cash Flows From Operating Activities:		
Increase in net assets	\$ 473,586	\$ 192,629
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	68,485	72,248
Bad Debt Expense	-	471
(Increase) decrease in operating assets:		
Grants receivable	111,966	(77,262)
Promises to give	(87,391)	20,013
Prepaid Expenses	4,950	(4,934)
Increase (decrease) in operating liabilities:		
Accounts payable	2,292	6,492
Accrued expenses	3,836	(43)
<b>Net cash provided by operating activities</b>	<b>577,724</b>	<b>209,614</b>
Cash Flows From Investing Activities:		
Purchase of furniture and equipment	(52,674)	(16,325)
<b>Net cash used in investing activities</b>	<b>(52,674)</b>	<b>(16,325)</b>
Cash Flows From Financing Activities:		
Build out advance payment	(60,453)	(19,003)
Payments towards loan	-	(52,178)
Proceeds from loan	-	18,710
<b>Net cash used in financing activities</b>	<b>(60,453)</b>	<b>(52,471)</b>
<b>Net increase in cash and cash equivalents</b>	<b>464,597</b>	<b>140,818</b>
Cash and Cash Equivalents		
Beginning of year	1,580,673	1,439,855
End of year	\$ 2,045,270	\$ 1,580,673
Supplemental Disclosures of Cash Flow Information		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -
Noncash investing and financing activities:		
Right to use assets	\$ 1,611,965	\$ -

See Accompanying Notes to Financial Statements.

**COMPASS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 1**      **NATURE OF ORGANIZATION’S ACTIVITY AND DESCRIPTION OF PROGRAM SERVICES**

Compass, Inc. (the “Organization”) is a Florida nonprofit entity, which was incorporated in 1988. The Organization is a community-based entity dedicated to engage, empower and enrich the lives of LGBTQ people and those impacted by HIV/AIDS while promoting pride, diversity and public awareness. The Organization provides a community center, health related services, information and referral services and public education. The Organization’s community center and offices are located in Lake Worth Beach, Florida.

As the State of Florida continued to lift COVID restrictions and reduced government resources, clients and community members’ needs continued to increase. The agency provided supplemental emergency, social and support services for all of its programs including distributing over \$176,194 in direct client emergency support services for food, behavioral health and mental health therapy services for LGBTQ youth and their families, addressed critical housing needs through the use of the remaining fundraising dollars from the in-person SMART Ride (November 2021), contributions from individuals and foundations and the return of the in-person Cocktails for Compass annual fundraiser (December 2021).

Compass entered into a partnership with CAN Community Health and started the six- month construction process in October 2020 on the LGBTQ+ health clinic, located inside the existing center’s space. At its completion in July 2021, Compass hosted a small but well-publicized grand opening of the Compass/CAN Community Health Clinic which provides onsite medical services that directly coincide with Compass’ mission and focus population(s). The fall of 2021, the clinic started operating 1-2 days a week and in the beginning of June of 2022, the clinic opened its services to the community 5 days a week with a full clinical staff.

**Youth and Family Services**

Compass’s Mentoring Program is funded by the United Way of Palm Beach County. This program emboldens youth ages 6-18 and their families, who are confronting issues concerning sexual orientation and/or gender identity. Each child or youth is matched with an adult mentor age 22 and up. Four hours per month is required for mentor and mentee to meet and offer support, guidance, and education to the mentees.

In addition to the Compass Mentoring Program, educational and empowering workshops are offered in a safe space to the community at large, including schools and other social service agencies, covering varied topics and interests including arts and culture, money management, higher education, sexuality, gender, school bullying/harassment, and HIV/AIDS education.

The T.O.P (Teen Outreach Program) as added by Compass in October 2012 is funded by Planned Parenthood of South Florida and the Treasure Coast. The program engages youth ages 12-18 y/o to meet several times weekly for social support, leadership opportunities, community service and guided discussions. This new youth program is more curriculum-based while implementing the teen outreach program: an evidence-based program, which empowers youth to lead successful lives and build strong communities. Compass now hosts Gay Straight Alliance (GSA) Meetings for representatives from high schools and universities throughout Palm Beach County to provide an opportunity for young leaders to connect, network, and combine their advocacy efforts to achieve maximum success.

**COMPASS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

Starting in October 2018, Palm Beach County Youth Services funded a previously un-funded program; the Compass' Transgender Youth Program. Currently, the center's fastest growing program, the now named LGBTQ Youth & Families program, employs three full time staff members, and one full time onsite mental health therapist. The enhanced program, that includes no cost clinical therapy serves youth ages 9-22 who identify as LGBTQ+ offering much needed direct services to youth and their families. In addition to providing linkage to these families to culturally competent mental health and medical providers, this program also funds cultural competency trainings throughout the year that are being held around the county including governmental offices, major corporations and students at various universities seeking degrees in the various fields of social work.

**HIV Prevention – HIV Testing, Counseling, and Linkage to Care**

As an advocate and health services provider, the High Impact Prevention Program (H.I.P.P.) were added through funding by Florida Department of Health. These programs were added to utilize community networks to help find and encourage HIV testing for individuals at high risk for HIV and to link them to care as soon as possible in the effort to increase healthy outcomes. The HIV Prevention team employs three full time staff members and works with the social media coordinator and a Ryan White funded Early Intervention Specialist to provide testing, counseling, education and linkage to care. After the in-house clinic opened in 2021, newly diagnosed individuals could now receive a warm handoff to the clinic administrator to start their anti-retroviral medications immediately, get tested for other STIs, meet with an Early Intervention Specialist, and be linked to a case manager for eligibility into Ryan White funded care.

**Early Intervention and Ryan White Title I**

As an advocate and health services provider, these services include medical and non-medical case management interventions that provide services and support to people living with HIV and AIDS throughout Palm Beach County. Services include linkage to life saving medications, assistance for housing, insurance coverage, food, transportation and direct emergency assistance, as well as education on treatment adherence and access to various social and support groups offered at the Organization.

**Outreach Program**

This program, through an annual appeal, Pride Business Alliance memberships and various sponsorships opportunities ensures that un-funded, or under-funded programs, remain a vital part of our mission, including various social and support groups held at the Center 6 days a week. This Development team consists of four full time staff and is responsible for promoting pride, advocacy and community organizing which includes community outreach events such as the annual Palm Beach Pride and Stonewall Ball. Over 250 not-for-profit organizations, neighborhood associations and public city meetings are organized and held at the Organization's facility each year. The Development department oversees the free computer lab in the Cyber Center, volunteer opportunities for community members, as well as the LGBT seniors programming named Coffee Clatch. The purpose of Coffee Clatch is to bring together LGBT identified seniors, learn about the various opportunities for their age demographic, and reduce isolation and connect them together socially. Born out of Coffee Clatch, is a new book club where members choose a book of the month and a online discussion is held each month.

**340B Discount Program**

Compass enrolled in the federal 340B program in 2015 to help better serve the agency's eligible clients. The 340B Program enables agencies in the private sector to expand its supplemental services and stretch scarce Federal resources as far as possible, reaching more eligible clients and providing more comprehensive services to the population living with HIV/AIDS. The agency falls under the FASB 45-15 guidelines as an "Agent" rather than "Principal", and therefore, reported net revenues of \$1,935,539 with expenses in the amount of \$1,519,334.

**COMPASS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

Compass, Inc. prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC 958, *Not for Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

The two net asset categories as reflected in the accompanying financial statements are as follows:

- **Without Donor Restrictions** - Net assets which are free of donor-imposed restrictions. It includes the Organization's investment in property and equipment and amounts designated by management for support of operations, programs, and facilities expansion. The Organization has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Organization and, therefore, the Organization's policy is to record these net assets as unrestricted. This category includes all revenues, expenses, gains and losses that are not changes in with donor restrictions net assets.
- **With Donor Restrictions** - Net assets whose use by the Organization is limited by donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions either expire with the passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations. These net assets are available for program purposes as well as for buildings and equipment. Other donor restrictions are perpetual in nature; whose use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. These net assets are invested in perpetuity, the income from which is expended for program purposes.

Releases from net assets with donor restrictions for the year ended June 30, 2023 are as follows:

**Releases from restrictions:**

**Subject to expenditure for specified purpose**

Youth and Families Program 30th Anniversary Refresh	\$ 2,426
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**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and cash in banks. For purposes of the statement of cash flows, the Company considers all unrestricted highly liquid investments with maturities of three months or less to be cash equivalents. As of June 30, 2023 and 2022, the Organization had \$1,503,832 and \$1,158,768 in excess of FDIC insurance at its financial institutions, respectively.

**Advertising**

Compass, Inc. uses advertising to promote its programs to the community it serves. The production costs of advertising are expensed as incurred. Advertising costs totaled \$11,729 and \$7,388 for the years ended June 30, 2023 and 2022, respectively.

**COMPASS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, the actual results could differ from those estimates. Significant estimates include depreciable lives of property and equipment and valuation of donated services and donated rent.

**Concentration of Support**

Approximately 37% and 32% in the years ended June 30, 2023 and 2022, respectively, of the Organization's funding originates from federal, state or local agencies. If funding policies and/or amounts of funding were to be substantially reduced by these agencies, operations of the Organization could be significantly affected. As of June 30, 2023 and 2022, 62% and 58%, respectively, of Grants Receivable are due from one entity.

**Property and Equipment**

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line method over a 3-to-20-year period. Assets held under capital leases are recorded at the lower of the net present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Amortization expense is computed using the straight-line method over the shorter of the estimated useful lives of the assets or the period of the related lease and is included in depreciation expense. The Organization capitalizes purchases greater than or equal to \$1,000, all other purchases are expensed as incurred.

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services.

**Grants Receivable**

The grants receivable relate to flat rate payments with performance-based requirements and/or grant cost reimbursements. All of the recorded grants receivable are deemed collectible by management.

**Income Taxes**

Compass, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, if income from certain activities not directly related to the Organization's tax-exempt purpose were received, it would be subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organizations' tax returns for the years 2019-2022 remain open to Internal Revenue Service's Audit.

**Promises to Give and Deferred Revenue**

Unconditional promises to give in the future are recorded as promises to give revenue and contributions receivable. If management expects the cash from the contribution receivable to be received more than one year in the future, the promises to give revenue and receivable are discounted for the time value of money (i.e., net present value) at a discount rate of 4%. Management estimates the allowance for uncollectible promises based on historical write offs.

**COMPASS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**With Donor Restrictions and Without Donor Restrictions Revenue and Support**

The Organization follows provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, “Revenue from Contracts with Customers”, (“Topic ASC 606”) and FASB Topic ASC 958, “Financial Statements of Not-for-Profit Organizations”, (“Topic ASC 958”). Topic ASC 606 requires the Foundation to distinguish between contributions that increase net assets without donor restrictions or with donor restrictions. It also requires recognition of contributed services meeting certain criteria at fair values. Topic ASC 958 establishes standards for general-purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities and a statement of cash flows.

Contributions that are restricted by the donors are reported as increases in without donor restrictions net assets if the restrictions expire in the reporting period in which the revenue is recognized.

All other donor-restricted contributions are reported as increases in with donor restrictions net assets, depending on the nature of this restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restrictions net assets are reclassified to without donor net assets and reported in the Statements of Activities as net assets released from restrictions.

Federal, state, and local grant awards that are considered conditional promises to give are classified as refundable advances until expended for the purposes of the grants.

**Fair value of financial instruments**

The carrying amounts of cash, receivables, accounts payable and accrued expenses approximate fair value because of the short maturity of these financial instruments. The carrying amounts of the capital leases approximate their fair value because the interest rates reflect current market rates for liabilities with similar maturities and credit quality.

**Lease Accounting**

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases (Topic 842). This guidance requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. ASU 2016-02 establishes a right-of-use model (ROU) that requires a lessee to recognize an ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. The Organization adopted this standard effective July 1, 2022, as required, retrospectively through a cumulative effect adjustment. The Organization elected the “package of practical expedients,” which permits the Organization not to reassess, under ASU 2016-02, prior conclusions about lease identification, lease classification and initial direct costs. The new standard also provides practical expedients for an entity’s ongoing accounting. The Organization elected to utilize the short-term lease recognition exemption for all leases that qualify. This means, for those short-term leases that qualify, the Organization will not recognize ROU assets or lease liabilities. The Organization elected to separate lease and non-lease components for facility leases. Adoption of this guidance resulted in the recognition of lease liabilities of \$1,611,965, based on the present value of the remaining minimum lease payments under current leasing standards for the Foundation’s lease, with corresponding ROU assets of \$1,611,965 as of adoption date on July 1, 2022 (See Note 9).

**COMPASS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**Recent Accounting Pronouncements**

In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. This standard update requires that certain financial assets be measured at amortized cost net of an allowance for estimated credit losses such that the net receivable represents the present value of expected cash collection. In addition, this standard update requires that certain financial assets be measured at amortized cost reflecting an allowance for estimated credit losses expected to occur over the life of the assets. The estimate of credit losses must be based on all relevant information including historical information, current conditions and reasonable and supportable forecasts that affect the collectability of the amounts. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022. The Foundation estimates this guidance will have no impact on the organization. The Foundation will implement the guidance for the year ended June 30, 2024 if deemed necessary.

All other recent accounting pronouncements issued by FASB (including the Emerging Issues Task Force) and the AICPA did not, or are not, believed by the Organization’s management, to have a material impact on the Organization’s present or future financial statements.

**NOTE 3**      **PROPERTY AND EQUIPMENT**

Property and equipment was comprised of the following at June 30, 2023 and 2022, respectively:

	<b>2023</b>	<b>2022</b>
Land	\$ 4,190	\$ 4,190
Building and building improvements	1,122,369	1,122,369
Office equipment	381,710	368,234
Furniture and fixtures	387,457	348,260
	1,895,726	1,843,053
Less: accumulated depreciation	(1,333,221)	(1,264,737)
	\$ 562,505	\$ 578,316

The Organization’s additions for the years ended June 30, 2023 and 2022 were \$52,674 and \$16,325, respectively. Depreciation expense for the years ended June 30, 2023 and 2022 was \$68,485 and \$72,248, respectively.

**NOTE 4**      **PROMISES TO GIVE AND TEMPORARILY RESTRICTED NET ASSETS**

The balances of unconditional promises to give are as follows as of June 30, 2022 and 2022, respectively:

	<b>2023</b>	<b>2022</b>
Less than one year	\$ 87,391	\$ -
One to three years	-	-
More than three years	-	-
Total promises to give	87,391	-
Less discount for present value	-	-
Less allowance for doubtful promises to give	-	-
Net promises to give	\$ 87,391	\$ -

**COMPASS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

At June 30, 2023 and 2022, promises to give includes \$87,391 and \$-0-, respectively, primarily from donations for the PREP youth program, ticket sales, silent auction items, outreach program donations and sponsorships in association with the Organization’s Stonewall Ball outreach event typically held each June. The Stonewall 2023 event was held June 24, 2023. These promises to give were collected within 60 days subsequent to June 30, 2023.

**NOTE 5**      **GRANTS RECEIVABLE**

Grants receivable consist of the following at June 30, 2023 and 2022, respectively:

	<b>2023</b>	<b>2022</b>
<u>Palm Beach County Health Unit</u>		
CODPI	\$ -	\$ 18,750
	18,750	-
<u>Palm Beach County Community Services Department</u>		
Ryan White Title I – HIV Health Support Services		
R2022-1103	-	382,532
R2023-1103	324,988	-
<u>Palm Beach County Youth Services Department</u>		
R2020-1278	-	15,194
R2022-1154	19,451	-
<u>Planned Parenthood</u>		
PREP	-	1,943
<u>Palm Beach County Youth Mental Health</u>		
	31,993	-
<u>340B Program</u>	214,160	280,709
<u>Miscellaneous</u>	-	22,180
Total	\$ 609,342	\$ 721,308

**NOTE 6**      **LIQUIDITY AND AVAILABILITY**

The Organization’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash	\$ 2,045,270
Grants receivable	609,342
Promise to give	87,391
Prepaid expenses	5,321
Financial assets at year end	\$ 2,747,324
Less those unavailable for general expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,747,324

**COMPASS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

The Organization’s financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date.

As part of the Organization’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.

**NOTE 7**      **BUILD OUT ADVANCE**

On December 4, 2018, the Organization entered into a preliminary collaborative agreement (partnership) with CAN Community Health, Inc. to provide medical care and support services to HIV and STD patients in Palm Beach County. Pursuant the collaborative agreement, CAN Community Health, Inc. advanced the cost to build out the new facility to administer the services. The build out advance is non-interest bearing. The partnership will used 20% of the net 340B net savings to repay the build out advance until fully repaid. If the Net 340B Savings are insufficient to repay the build out advance, then any remaining amount of the build out advance will be forgiven by CAN Community Health, Inc.; However, if the Partnership dissolution, withdrawal or termination is due to a breach of the agreement by the Organization, then no amounts shall be forgiven. As of June 30, 2023 and 2022, the Organization’s portion of the build out is \$178,303 and \$238,756, respectively of any repayments (see Note 9).

**NOTE 8**      **CONTRIBUTED SERVICES**

The Organization recognized contribution revenue for the years ended June 30, 2023 and 2022, respectively, for contributed services related to the HIV Prevention program. Contribution revenue from services was measured based on the fair value of these services, and the amounts are as follows:

	2023		2022
Outreach volunteers – 891 and 672.5 hours at \$14 and \$14, respectively	\$ 12,474	\$	9,415
HIV Testing & CM Tech – 470 and 522 hours at \$14 and \$14, respectively	6,580		7,308
<b>Total</b>	<b>\$ 19,054</b>	<b>\$</b>	<b>16,723</b>

During 2023 and 2022, volunteers provided 3,912 and 3,242 hours of administrative and facility maintenance assistance valued at approximately \$42,367 and \$35,104 respectively. The values of the administrative services and facility maintenance assistance contributed were not recognized as revenue or expense in the accompanying Statement of Activities for the year ended June 30, 2023 and 2022.

**NOTE 9**      **COMMITMENTS AND CONTINGENCIES**

**Operating Leases**

In May 2007, the Organization executed an operating lease agreement for a municipal facility in Lake Worth, Florida. The term of the lease began in March 2008, upon possession of the facility by the Organization and will continue through 2028. The initial rent amount was \$1,000 annually. Effective April 2010, the lease was amended to increase the annual rent amount to \$19,445. In March 2009, the Organization took occupancy of the building and completed its renovations. In-kind revenues and rent expense were recognized for the fair value of the rent under the lease of \$291,229 for the year ended June 30, 2022.

As of July 1, 2022, the Organization adopted ASC 842, Leases. The Organization recognizes ROU assets and lease liabilities at the adoption date based on the present value of future minimum lease payments over the lease term. The discount rate used was the incremental borrowing rate of 4.58% in determining the present value of the future minimum lease payments. The Organization recognized ROU assets of \$1,611,965 and lease liabilities of \$1,611,965 as of adoption date.

**COMPASS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

As of June 30, 2023, the Foundation's ROU assets and liabilities related to the lease are as follows:

ROU Asset	\$	1,365,364
Current portion of lease liabilities		15,857
Lease liabilities, less current portion		1,349,507
Total lease liabilities	\$	1,365,364

Future minimum payments for all agreements are as follows:

Year Ending June 30,		Office Space
2024	\$	310,673
2025		310,673
2026		310,673
2027		310,673
2028		310,673
Future Minimum Lease Payment Total	\$	1,553,365
Less: Present Value Discount		(188,001)
Total	\$	1,365,364

**Collaborative Agreement**

On December 4, 2018, the Organization entered into a collaborative agreement (partnership) with CAN Community Health, Inc. to provide medical care and support services to HIV and STD patients in Palm Beach County. Pursuant the collaborative agreement, CAN Community Health, Inc. advanced the cost to build out the new facility to administer the services. The build out advance is non-interest bearing. The partnership will used 20% of the net 340B net savings to repay the build out advance until fully repaid. If the Net 340B Savings are insufficient to repay the build out advance, then any remaining amount of the build out advance will be forgiven by CAN Community Health, Inc.; However, if the Partnership dissolution, withdrawal or termination is due to a breach of the agreement by the Organization, then no amounts shall be forgiven (see note 8). Additionally, the Organization and CAN Community Health, Inc. have collaborated to obtain certification to participate in the 340B Drug Pricing program and agreed to divide the 340B program savings net of fees equally. The clinic was completed in June 2021 and began operations in August 2021.

In January 2023, the Organization (sublessor) entered into a sublease agreement with CAN Community Health, Inc (sublessee). The term of the lease began July 1, 2022 and will continue through June 30, 2024. The sublessee will pay rent of \$1,670 per month.

**COMPASS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 10**     **ASSISTANCE FROM GOVERNMENTAL AGENCIES**

The following details the reimbursements and receipts from governmental agencies for the years ending June 30, 2023 and 2022, respectively:

	<b>2023</b>		<b>2022</b>
<u>Federal Financial Assistance</u>			
Department of Health and Human Services, Public Health Services – II through Palm Beach County HIV Emergency Relief Project Grant			
R2023-1103	\$ 508,782	\$	-
R2022-1103	910,905		382,532
R2021-0307	-		709,224
Through Florida Department of Health, Palm Beach County Public Health Unit, HIV Prevention Activities – Health Department Based CODPI			
	225,000		225,000
The Department of Health and Human Services, through the Office of Adolescent Health to Planned Parenthood of South, North and East Florida			
2022/2023	20,913		-
2021/2022	-		14,707
2020/2021	-		17,860
<b>Total</b>	<b>\$ 1,665,600</b>	<b>\$</b>	<b>1,349,323</b>
<u>Local Financial Assistance</u>			
Palm Beach County Youth Services Department			
R2022-1154	\$ 100,000	\$	-
R2022-1140	135,741		-
R2021-1282	13,800		48,645
R2020-1289	-		-
R2020-1278	-		61,649
Palm Beach County Victim Services Department			
R2019-1650	-		451
R2019-0530	-		-
United Way			
2022/2023	37,827		-
2021/2022	-		28,073
2020/2021	-		9,149
<b>Total</b>	<b>\$ 287,368</b>	<b>\$</b>	<b>147,967</b>
<b>Grand Total</b>	<b>\$ 1,952,968</b>	<b>\$</b>	<b>1,497,290</b>

**COMPASS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 11**     **SUBSEQUENT EVENTS**

The Organization evaluated subsequent events through December 31, 2023, the date of issuance of these financial statements.

**SCHEDULE 1 - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Compass, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

<b>Federal Grantor/Pass-Through</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
U.S. Department of Health and Human Services:			
Pass-through programs from:			
Palm Beach County, Florida, Community Services			
Department:			
HIV Emergency Relief Project Grants	* 93.914	R2023 – 1103	\$ 508,782
HIV Emergency Relief Project Grants	* 93.914	R2022 - 1103	910,905
			<hr/> 1,419,687
Planned Parenthood of South, North and East Florida:			
Guardianship Assistance	93.092	PREP	20,913
State of Florida, Department of Health:			
HIV Prevention Program – Health Department Based	93.940	CODPI	225,000
			<hr/>
<b>Total expenditures of federal awards</b>			<b><u><u>\$ 1,665,600</u></u></b>

\* Denotes Major Program

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

To the Board of Trustees of Compass, Inc.

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 Compass, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 31, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Compass, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Compass, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Compass, 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Compass, 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 financial statements. 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.

/s/ Liggett & Webb, P.A.

LIGGETT & WEBB, P.A.  
*Certified Public Accountants*

Boynton Beach, Florida  
December 31, 2023

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

To the Board of Trustees of Compass, Inc.

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Compass, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Compass, Inc.'s major federal programs for the year ended June 30, 2023. Compass, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Compass, 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 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 Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for 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 Compass, Inc. 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 of Compass, Inc.'s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Compass, Inc.'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 Compass, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Compass, Inc.'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 Compass, Inc.'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 Compass, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Compass, Inc.'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 a 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.

/s/ Liggett & Webb, P.A.

LIGGETT & WEBB, P.A.  
*Certified Public Accountants*

Boynton Beach, Florida  
December 31, 2023

**COMPASS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Compass, Inc.
2. No instances of noncompliance material to the financial statements of Compass, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
3. No reportable conditions or material weaknesses in internal control over major programs were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for Compass, Inc. expresses an unqualified opinion on all major programs.
5. No audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
6. The program tested as the major program was the HIV Emergency Relief Grant Program Part A Formula Grants – CFDA # 93.914
7. The dollar threshold used to distinguish between Type A and B Programs was \$750,000.
8. Compass, Inc. qualifies as a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

No significant deficiencies were disclosed.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

No audit findings that are required to be reported in accordance with 2 CFR 200.516(a) or questioned costs were disclosed.