



Reports of Independent Auditors and  
Financial Statements with  
Federal Awards Supplementary Information

**Playworks Education Energized**

June 30, 2024 and 2023



# Table of Contents

---

	<b>Page</b>
<b>Report of Independent Auditors</b>	1
<b>Financial Statements</b>	
Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements	10
<b>Schedule of Expenditures of Federal Awards</b>	
Schedule of Expenditures of Federal Awards	23
Notes to Schedule of Expenditures of Federal Awards	24
<b>Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	25
<b>Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance</b>	27
Schedule of Findings and Questioned Costs	30
Summary Schedule of Prior Audit Findings	31

## Report of Independent Auditors

The Board of Directors  
Playworks Education Energized

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of Playworks Education Energized (Playworks), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of Playworks as of June 30, 2024 and 2023, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Playworks 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 opinion.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Playworks' ability to continue as a going concern for 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 GAAS 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 GAAS 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 Playworks' 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 Playworks' 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 October 4, 2024, on our consideration of Playworks' 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 Playworks' 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 Playworks' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Moss Adams LLP".

San Francisco, California  
October 4, 2024

## **Financial Statements**

---

**Playworks Education Energized**  
**Statements of Financial Position**  
**June 30, 2024 and 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 15,527,931	\$ 9,473,943
Accounts receivable, net	2,672,349	1,961,809
Grants and pledges receivable, current portion	1,920,484	4,723,481
Prepaid expenses and other assets	472,600	706,855
Investments	2,339,503	7,487,003
Total current assets	22,932,867	24,353,091
<b>LONG-TERM ASSETS</b>		
Grants and pledges receivable, net of current portion	220,449	57,163
Other long-term assets	150,825	180,890
Total long-term assets	371,274	238,053
Total assets	\$ 23,304,141	\$ 24,591,144
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 566,427	\$ 536,692
Payroll and accrued benefits	1,349,473	1,058,881
Contract liability	1,327,923	1,239,109
Other current liabilities	125,174	151,562
Total current liabilities	3,368,997	2,986,244
<b>LONG-TERM LIABILITIES</b>		
Other long-term liabilities	8,154	10,729
Total liabilities	3,377,151	2,996,973
<b>NET ASSETS</b>		
Without donor restrictions	16,387,262	17,999,545
With donor restrictions	3,539,728	3,594,626
Total net assets	19,926,990	21,594,171
Total liabilities and net assets	\$ 23,304,141	\$ 24,591,144

See accompanying notes.

**Playworks Education Energized**  
**Statements of Activities**  
**Years Ended June 30, 2024 and 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT</b>						
Contributions	\$ 432,020	\$ 4,827,831	\$ 5,259,851	\$ 391,838	\$ 4,964,665	\$ 5,356,503
Corporate support	755,941	2,323,385	3,079,326	982,992	2,871,527	3,854,519
Contributions in-kind	120,721	-	120,721	142,962	-	142,962
Net assets released from restriction	7,251,333	(7,251,333)	-	7,170,744	(7,170,744)	-
Total support	<u>8,560,015</u>	<u>(100,117)</u>	<u>8,459,898</u>	<u>8,688,536</u>	<u>665,448</u>	<u>9,353,984</u>
<b>REVENUE</b>						
Direct service fees	10,704,287	-	10,704,287	9,877,418	-	9,877,418
Government grants	2,691,416	-	2,691,416	2,840,760	-	2,840,760
Training fees	10,591,815	-	10,591,815	8,382,011	-	8,382,011
Special events	333,043	45,219	378,262	383,432	60,995	444,427
Investment income, net	822,708	-	822,708	364,520	-	364,520
Other revenue	77,338	-	77,338	259,804	-	259,804
Total revenue	<u>25,220,607</u>	<u>45,219</u>	<u>25,265,826</u>	<u>22,107,945</u>	<u>60,995</u>	<u>22,168,940</u>
Total support and revenue	<u>33,780,622</u>	<u>(54,898)</u>	<u>33,725,724</u>	<u>30,796,481</u>	<u>726,443</u>	<u>31,522,924</u>
<b>EXPENSES</b>						
Program services						
Direct services	20,958,203	-	20,958,203	19,067,352	-	19,067,352
Training services	7,149,880	-	7,149,880	5,736,565	-	5,736,565
Total program services	<u>28,108,083</u>	<u>-</u>	<u>28,108,083</u>	<u>24,803,917</u>	<u>-</u>	<u>24,803,917</u>
Support services						
Management and general	2,680,628	-	2,680,628	2,343,219	-	2,343,219
Fundraising	4,604,194	-	4,604,194	4,016,495	-	4,016,495
Total support services	<u>7,284,822</u>	<u>-</u>	<u>7,284,822</u>	<u>6,359,714</u>	<u>-</u>	<u>6,359,714</u>
Total expenses	<u>35,392,905</u>	<u>-</u>	<u>35,392,905</u>	<u>31,163,631</u>	<u>-</u>	<u>31,163,631</u>
CHANGES IN NET ASSETS	(1,612,283)	(54,898)	(1,667,181)	(367,150)	726,443	359,293
NET ASSETS, beginning of year	<u>17,999,545</u>	<u>3,594,626</u>	<u>21,594,171</u>	<u>18,366,695</u>	<u>2,868,183</u>	<u>21,234,878</u>
NET ASSETS, end of year	<u>\$ 16,387,262</u>	<u>\$ 3,539,728</u>	<u>\$ 19,926,990</u>	<u>\$ 17,999,545</u>	<u>\$ 3,594,626</u>	<u>\$ 21,594,171</u>

See accompanying notes.



**Playworks Education Energized**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2024**

	Program Services			Supporting Services			Total
	Direct Services	Training Services	Subtotal	Management and General	Fundraising	Subtotal	
<b>EXPENSES</b>							
Salaries and wages	\$ 14,512,713	\$ 4,965,358	\$ 19,478,071	\$ 1,864,724	\$ 2,946,841	\$ 4,811,565	\$ 24,289,636
Employee benefits	1,571,969	537,831	2,109,800	201,981	319,192	521,173	2,630,973
Payroll tax	1,080,980	369,845	1,450,825	138,894	219,495	358,389	1,809,214
<b>Total salaries and related expenses</b>	<b>17,165,662</b>	<b>5,873,034</b>	<b>23,038,696</b>	<b>2,205,599</b>	<b>3,485,528</b>	<b>5,691,127</b>	<b>28,729,823</b>
Legal and professional, including in-kind	1,290,813	441,637	1,732,450	165,855	262,103	427,958	2,160,408
Travel and related expenses	709,333	242,690	952,023	91,141	144,032	235,173	1,187,196
Dues, licenses, and service fees	599,681	205,174	804,855	77,052	121,767	198,819	1,003,674
Rent and occupancy, including in-kind	242,527	82,978	325,505	31,162	49,246	80,408	405,913
Fundraising events, including in-kind	-	-	-	-	367,970	367,970	367,970
School supplies	215,418	55,444	270,862	16,337	25,818	42,155	313,017
Telephone	149,266	51,070	200,336	19,179	30,309	49,488	249,824
Meetings and conferences	125,219	42,842	168,061	16,089	25,426	41,515	209,576
Insurance	120,629	41,272	161,901	15,500	24,494	39,994	201,895
Printing and publications	97,892	33,493	131,385	12,578	19,877	32,455	163,840
Staff recruitment and training	81,843	28,001	109,844	10,516	16,618	27,134	136,978
Small equipment and maintenance	64,323	22,007	86,330	8,265	13,061	21,326	107,656
Marketing and advertising	44,023	15,062	59,085	5,656	8,939	14,595	73,680
Postage	26,922	9,211	36,133	3,459	5,466	8,925	45,058
Supplies	17,434	5,965	23,399	2,240	3,540	5,780	29,179
Government grant commission	7,218	-	7,218	-	-	-	7,218
<b>Total expenses</b>	<b>\$ 20,958,203</b>	<b>\$ 7,149,880</b>	<b>\$ 28,108,083</b>	<b>\$ 2,680,628</b>	<b>\$ 4,604,194</b>	<b>\$ 7,284,822</b>	<b>\$ 35,392,905</b>

See accompanying notes.

**Playworks Education Energized**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2023**

	Program Services			Supporting Services			Total
	Direct Services	Training Services	Subtotal	Management and General	Fundraising	Subtotal	
<b>EXPENSES</b>							
Salaries and wages	\$ 13,036,125	\$ 3,959,620	\$ 16,995,745	\$ 1,624,934	\$ 2,568,904	\$ 4,193,838	\$ 21,189,583
Employee benefits	1,418,433	430,838	1,849,271	176,806	279,517	456,323	2,305,594
Payroll tax	970,819	294,878	1,265,697	121,011	191,310	312,321	1,578,018
<b>Total salaries and related expenses</b>	<b>15,425,377</b>	<b>4,685,336</b>	<b>20,110,713</b>	<b>1,922,751</b>	<b>3,039,731</b>	<b>4,962,482</b>	<b>25,073,195</b>
Legal and professional, including in-kind	1,044,214	317,172	1,361,386	130,160	205,773	335,933	1,697,319
Travel and related expenses	703,164	213,581	916,745	87,648	138,566	226,214	1,142,959
Dues, licenses, and service fees	554,955	168,563	723,518	60,799	109,360	170,159	893,677
Rent and occupancy, including in-kind	271,999	82,618	354,617	33,904	53,600	87,504	442,121
Fundraising events, including in-kind	-	-	-	-	273,794	273,794	273,794
School supplies	250,410	45,041	295,451	15,929	25,182	41,111	336,562
Telephone	113,266	34,404	147,670	14,118	22,320	36,438	184,108
Meetings and conferences	136,510	41,464	177,974	17,016	26,901	43,917	221,891
Insurance	117,322	35,636	152,958	14,624	23,119	37,743	190,701
Printing and publications	69,775	21,194	90,969	8,697	13,750	22,447	113,416
Staff recruitment and training	138,371	42,029	180,400	17,248	27,267	44,515	224,915
Small equipment and maintenance	70,261	21,341	91,602	8,758	13,846	22,604	114,206
Marketing and advertising	40,523	12,308	52,831	5,051	7,985	13,036	65,867
Postage	16,393	4,979	21,372	2,043	3,230	5,273	26,645
Supplies	35,883	10,899	46,782	4,473	7,071	11,544	58,326
Government grant commission	4,897	-	4,897	-	-	-	4,897
Bad debt expense	74,032	-	74,032	-	25,000	25,000	99,032
<b>Total expenses</b>	<b>\$ 19,067,352</b>	<b>\$ 5,736,565</b>	<b>\$ 24,803,917</b>	<b>\$ 2,343,219</b>	<b>\$ 4,016,495</b>	<b>\$ 6,359,714</b>	<b>\$ 31,163,631</b>

See accompanying notes.

**Playworks Education Energized**  
**Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (1,667,181)	\$ 359,293
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Net realized and unrealized gain on investments	(184,764)	(127,254)
Amortization of leases	177,309	162,246
(Reversal of) provision for credit losses	(22,877)	50,057
Change in discount on pledges receivable	6,714	2,837
Changes in operating assets and liabilities		
Accounts receivable	(687,663)	(795,274)
Grants and pledges receivable	2,632,997	(1,035,680)
Prepaid expenses and other assets	87,011	(576,884)
Accounts payable and accrued expenses	29,735	(183,442)
Payroll and accrued benefits	290,592	234,351
Contract liability	88,814	(107,887)
Other liabilities	(28,963)	162,291
	<u>721,724</u>	<u>(1,855,346)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(2,626,931)	(8,193,749)
Proceeds from sales of investments	7,959,195	834,000
	<u>5,332,264</u>	<u>(7,359,749)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	6,053,988	(9,215,095)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>9,473,943</u>	<u>18,689,038</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 15,527,931</u>	<u>\$ 9,473,943</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Right-of-use operating lease assets obtained in exchange for operating lease liabilities	<u>\$ 147,587</u>	<u>\$ 324,540</u>

See accompanying notes.

# Playworks Education Energized

## Notes to Financial Statements

---

### Note 1 – Organization

**General** – Playworks Education Energized (Playworks) is a nonprofit public benefit corporation founded in 1996 that changes school culture by leveraging the power of safe, fun, and healthy play at school every day. Playworks creates a place for every kid on the playground to feel included, be active, and build valuable social and emotional skills. Playworks partners with schools, districts, and after-school programs to provide a service or mix of services including on-site coaches, professional training for school staff who support recess, and consultative partnerships.

Playworks operates full-time, direct service programs in the following regions: Arizona, Colorado, Illinois, Indiana, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Northern California, Pacific Northwest, Pennsylvania, Southern California, Utah, and Wisconsin.

Playworks is primarily funded by direct service fees, contributions, and government contracts. Playworks partners with individual elementary schools, school districts, and outside-of-school programs, where the approach begins with an assessment of needs as well as resources to provide the right mix of Playworks services and offerings.

### Playworks Services:

**Playworks Coach** – Playworks addresses the physical, emotional, and cognitive needs of children by coordinating full-day play and physical activity programming during lunchtime, recess, and after school. At each school Playworks coaches:

- Create a safe, active, and inclusive environment on the playground by coordinating a variety of schoolyard sports and games during recess and lunch;
- Work with individual classes and with classroom teachers to introduce games and physical activities into school curriculum;
- Develop and coordinate before or after school physical activity programs;
- Coordinate interscholastic developmental sports leagues such as basketball, volleyball, soccer, and others;
- Implement a youth leadership program at each site; and
- Employ play as a tool for generating more community and family involvement.

Each Playworks coach works at their school five days a week, throughout the school day and during non-school hours, to lead games and physical activities based on a curriculum that has been tested and refined over a decade of program operations.

Playworks partners with elementary schools by providing an on-site coordinator to teach, model, and empower a sustainable recess program.

## **Playworks Education Energized Notes to Financial Statements**

---

**Playworks Pro** – Playworks Pro provides professional training and ongoing development to school staff, paraprofessionals, after-school care providers, employees in school districts, summer camps, and other youth serving organizations to create and maintain a great play environment. Playworks Pro teaches group management, conflict resolution, games facilitation, and other essential skills that transform playgrounds. Playworks Pro is provided on a fee-for-service basis, customized depending on the number of trainings requested, the number of participants, and the length of each training.

**Playworks TeamUp** – A fusion of Playworks Coach and Playworks Pro, Playworks TeamUp provides a single site coordinator to four partner schools. The site coordinator spends one week each month at each school leading, supporting, and empowering the recess team – including a lead recess coach – to create a safe, inclusive playground for all students.

**Playworks Recess Reboot** – Playworks partners with elementary schools by providing an on-site trainer for four days to teach, model, and empower a sustainable recess.

**PlayworksU** – Playworks staff developed PlayworksU, a tool offering online courses to help school staff use effective, research-backed practices to help play support learning.

**Playworks Keep Playing** – Playworks offers an online subscription to weekly curated video content that assists educators and families in offering play to children at school and home.

**Playworks TagTeam** – Playworks offers a certification program that builds capacity for community-based organizations to launch a recess service at local elementary schools. In the first year of partnership, Playworks provides a combination of in-person and virtual training and consultation geared towards frontline staff and managers, as well as access to our evidence-based evaluation tools. Upon successful completion of all certification requirements, the partner organization becomes a “certified Playworks TagTeam provider.” In subsequent years, partners maintain their certification annually by continuing to run programming, sharing data, and completing online coursework.

### **Note 2 – Significant Accounting Policies**

**Basis of presentation and description of net assets** – The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Playworks reports information regarding its financial position and activities according to the class of net assets:

*Net assets without donor restrictions* – The portion of net assets that is not restricted by donor-imposed stipulations. As of June 30, 2024 and 2023, Playworks had no board designated net assets.

*Net assets with donor restrictions* – The portion of net assets whose use by Playworks is either (1) limited by donor-imposed stipulations that may expire either by passage of time or can be fulfilled and removed by actions of Playworks, or (2) limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Playworks and are held in perpetuity. As of June 30, 2024 and 2023, Playworks does not have any net assets held in perpetuity.

## Playworks Education Energized Notes to Financial Statements

---

**Fair value measurements** – Playworks may carry certain assets and liabilities at fair value. Playworks follows Accounting Standards Codification (ASC) *Topic 820 – Fair Value Measurements*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. Playworks classified its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

**Level 1** – Quoted market prices (unadjusted) in active market for identical assets or liabilities.

**Level 2** – Observable inputs other than quoted prices included within Level 1 such as quoted prices for similar securities or quoted prices in inactive markets.

**Level 3** – Unobservable inputs for the asset or liability that are not corroborated by market data and that are significant to the fair value of the assets or liabilities.

**Cash and cash equivalents** – Cash and cash equivalents include money market accounts with an original maturity of three months or less.

**Accounts receivable** – Accounts receivable represent uncollateralized obligations due from schools and other youth development organizations and are stated at the amount Playworks billed and expects to collect for contract services. Accounts receivables are due under normal trade terms requiring payments within 30 days from the invoice date. Payments of accounts receivable are allocated to the specific invoices identified on the remittance advice or, if unspecified, are applied to the earliest unpaid invoices. Playworks extends credit to the schools and other youth development organizations in the normal course of business and performs ongoing credit evaluations of them, maintaining allowances, when applicable, for potential credit losses, which, when realized, have been within management's expectations. The carrying amount of accounts receivable is reduced by a valuation allowance that represents the estimated credit losses.

Playworks estimates the allowance for credit losses on accounts receivable using the current expected credit losses methodology (CECL), which requires Playworks to estimate lifetime expected credit losses on its accounts receivable at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Playworks estimates its expected credit losses using an aging schedule and adjusts the allowance periodically. When a loss is realized, receivables are charged against the allowance. Subsequent recoveries are credited to the allowance.

Changes in the allowance for credit losses for the year ended June 30, 2024, were as follows:

Balance, beginning of year	\$ 120,398
Provisions	50,487
Write-offs, net of recoveries	<u>(73,365)</u>
Balance, end of year	<u><u>\$ 97,520</u></u>

## Playworks Education Energized Notes to Financial Statements

---

**Investments** – Investments are stated at fair value and consist of U.S. Treasury fixed-income securities. Realized and unrealized gains and losses on investments, dividends, and interest income are included in investment income net of investment expenses on the statements of activities. Investments classified as current consist of securities with a maturity date one year or less from the statements of financial position date. All other investments are classified as long-term. Playworks’ investments are categorized as Level 1 in the fair value hierarchy.

**Revenue recognition** – Contributions and grants are recognized at their fair value when the donor/grantor makes an unconditional promise to give to Playworks. Conditional promises to give, if any, are recognized only when the conditions on which they depend are met and the promises become unconditional. Restricted contributions and grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Long-term grants and pledges receivables are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using market rates applicable in the years in which those promises are received. Playworks considers all unconditional promises to give to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

Government grants and revenue are recognized when Playworks incurs expenditures related to the required services. Amounts billed and received in advance are recorded as deferred revenue until the related services are performed. Government grants and revenue include recognition of the Employee Retention Credit, see Note 3. It is Playworks’ policy to account for this type of government grant in accordance with ASC 958-605, *Not-for-Profit Entities—Revenue Recognition*, in which conditional contributions received shall be recognized as revenues in the period when the barrier preventing revenue recognition is overcome.

Direct service fees, which are generated from contracts with school districts, and program fees are recognized at the time the service is performed. Contract liability represents amounts paid in advance for school site programs and exchange transactions. The change in contract liability during the years ended June 30 consists of the following activity:

	2024	2023
Balance, beginning of year	\$ 1,239,109	\$ 1,346,996
Revenue recognized	(1,239,109)	(1,346,996)
Payment received for future performance obligation	1,327,923	1,239,109
Balance, end of year	\$ 1,327,923	\$ 1,239,109

**Contributions in-kind** – Donated equipment, donated office space, and other donated goods are recorded at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and which Playworks would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered. Playworks also receives donated services that do not require specific expertise but which are nonetheless central to Playworks’ operations. These services are not recorded in the financial statements (see Note 6).

## Playworks Education Energized Notes to Financial Statements

---

**Functional expense allocation** – The costs of providing the 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 benefited. Management’s estimate of indirect salary expense allocation is based on individual employee timesheets and/or estimated time spent by function. Management’s estimate of other indirect costs is based on salary expense and/or headcount.

**Income taxes** – Playworks is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and exempt from state income taxes under various state codes. Accordingly, no provision for income taxes has been made in the accompanying statements. Playworks is, however, subject to federal and state income tax on unrelated business income and no provision for any such taxes is included in the accompanying financial statements. In addition, Playworks qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

Playworks follows the guidelines of ASC 740, *Income Taxes*, for accounting for uncertainty in income taxes. As of June 30, 2024 and 2023, management evaluated Playworks’ tax positions and concluded that Playworks had maintained its tax-exempt status and has taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

**Marketing and advertising** – Playworks’ policy is to expense marketing and advertising costs as the costs are incurred. Marketing and advertising expenses for the years ended June 30, 2024 and 2023, were \$73,680 and \$65,867, respectively.

**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. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**New accounting pronouncements** – Effective July 1, 2023, Playworks adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements*, which requires the use of the CECL impairment model for a broad scope of financial instruments. These instruments include financial assets measured at amortized cost from trade receivables, net investments in leases, and certain off-balance sheet credit exposures. The CECL model requires the immediate recognition of estimated expected credit losses over the life of the financial instrument. Under this standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. Playworks adopted this standard utilizing a cumulative-effect adjustment for all financial assets measured at amortized cost. The adoption resulted in a transition adjustment, including an \$11,353 decrease to the allowance for credit losses for accounts receivables from direct service and training, which is presented on the statement of financial position as an addition to the total amount of the applicable asset.



## Playworks Education Energized Notes to Financial Statements

---

### Note 3 – Grants and Pledges Receivable, Net

Grants and pledges receivable, net consist of the following at June 30:

	2024	2023
Foundation grants	\$ 932,135	\$ 911,383
Corporate grants	685,587	638,487
Government contracts	475,913	3,200,150
Individuals	56,849	33,461
Total grants and pledges receivable	2,150,484	4,783,481
Less present value discount (4.8% to 4.7%)	(9,551)	(2,837)
Total grant and pledges receivable, net	\$ 2,140,933	\$ 4,780,644

Grants and pledges receivable as of June 30 are expected to be received as follows:

	2024	2023
Within one year	\$ 1,920,484	\$ 4,723,481
Two to five years	230,000	60,000
Total grants and pledges receivable	\$ 2,150,484	\$ 4,783,481

Playworks was eligible for the Employee Retention Credit (ERC) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), subject to certain criteria. During the year ended June 30, 2023, \$3,001,217 of ERC was recognized and included in the government contracts portion of grants and pledges receivable. Amended tax returns or claims for refund were filed to Internal Revenue Service in May 2022 and Playworks received \$3,001,217 of ERC and \$138,137 interest income on July 12, 2023 and August 23, 2023, thus reducing significantly the balance of government contract receivables in 2024.

As of June 30, 2024, there were no conditional grants receivable outstanding. No new conditional grants were received during the years ended June 30, 2024 and 2023.

## Playworks Education Energized Notes to Financial Statements

---

### Note 4 – Net Assets with Donor Restrictions

Net assets with donor restrictions restricted for a specific purpose or the expiration of time as of June 30, consisted of the following:

	2024	2023
Indiana	\$ 977,736	\$ 26,000
California - Northern	498,237	225,187
California - Southern	490,498	15,000
National expansion	449,884	600,000
Minnesota	246,900	173,015
New York / New Jersey	230,000	110,000
Michigan	228,400	850,500
New England	162,500	477,000
Illinois	105,000	122,650
Pacific Northwest	70,153	224,261
Wisconsin	52,920	100,500
Pennsylvania	25,000	108,000
Arizona	2,500	10,000
Colorado	-	302,513
Utah	-	250,000
	\$ 3,539,728	\$ 3,594,626
Total		

All net assets with donor restrictions as of June 30, 2024 and 2023, are expected to be released from restriction within one year of the fiscal year end.

## Playworks Education Energized Notes to Financial Statements

---

### Note 5 – Net Assets Released from Restrictions

Net assets were released from restrictions during the year by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

	<u>2024</u>	<u>2023</u>
Michigan	\$ 925,000	\$ 560,637
National expansion	820,116	975,041
California - Southern	749,289	549,055
Colorado	738,013	1,037,535
California - Northern	731,116	647,500
New England	595,300	733,632
Indiana	485,264	259,000
Pacific Northwest	455,176	477,732
Utah	446,666	630,000
Pennsylvania	413,500	455,233
Minnesota	266,433	185,923
New York / New Jersey	261,500	299,000
Illinois	141,150	202,780
Wisconsin	138,810	94,750
Arizona	81,000	60,426
Southeast	3,000	2,500
Total	<u>\$ 7,251,333</u>	<u>\$ 7,170,744</u>

### Note 6 – Contributions In-Kind

The estimated fair value of donated space and expert services are recorded as contributions. The following in-kind contributions were received by Playworks during the years ended June 30:

	<u>2024</u>	<u>2023</u>
Legal services	\$ 75,001	\$ 88,662
Office space	45,720	54,300
Total	<u>\$ 120,721</u>	<u>\$ 142,962</u>

Legal services are valued based on the rates provided by the donors, as the donors set the market rate for the legal services provided. Office space is valued based on the current rent in the building. All in-kind contributions are not restricted and were fully utilized during the years ended June 30, 2024 and 2023.

## Playworks Education Energized Notes to Financial Statements

---

### Note 7 – Commitments and Contingencies

**Operating leases** – Playworks has several lease agreements for its headquarters and regional offices.

As of June 30, 2024 and 2023, the total right-of-use operating lease asset of \$131,888 and \$162,291, respectively, are included in other long-term assets on the accompanying statements of financial position. As of June 30, 2024, the total operating lease liability of \$133,328 consisted of the current portion of \$125,174 included in other current liabilities and the noncurrent portion, net of the present value discount, of \$8,154 included in other long-term liabilities on the accompanying statements of financial position. As of June 30, 2023, the total operating lease liability of \$162,291 consisted of the current portion of \$151,562 included in other current liabilities and the noncurrent portion, net of the present value discount, of \$10,729 included in other long-term liabilities on the accompanying statements of financial position.

The future minimum lease payments as of June 30, 2024, were as follows:

Years Ending June 30.

2025	\$ 125,174
2026	<u>10,344</u>
Total lease payments	135,518
Less: Present value discount	<u>(2,190)</u>
Operating lease liability	<u><u>\$ 133,328</u></u>

The following table includes supplemental lease information as of and for the years ended June 30:

	2024	2023
Weighted average remaining lease term (in years)	1.02	0.98
Weighted average discount rate	3.29%	3.68%

Total operating lease cost for the years ended June 30, 2024 and 2023, was \$186,653 and \$169,402, respectively, which includes \$45,720 and \$54,300, respectively, of donated office space in Oakland, California. Cash payments for amounts included in the measurement of operating lease liabilities were \$185,933 and \$169,402 for the years ended June 30, 2024 and 2023, respectively, and are included in other liabilities on the accompanying statements of cash flows.

**Contingencies** – Grants and contracts awarded to Playworks are subject to the funding agencies' criteria, contract terms, and regulations under which expenditures may be charged and are subject to audit under such terms, regulations, and criteria. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them.

## **Playworks Education Energized**

### **Notes to Financial Statements**

---

In the event of non-compliance with grant terms or conditions, Playworks may be required to reimburse the funding agency for any associated costs or face a reduction in future funding. Management believes that the risk of material questioned costs for contracts and grants administered during this period is minimal. However, Playworks will be responsible for absorbing any over-expenditures on restricted grants that cannot be offset by additional grant funds or contributions from other sources.

#### **Note 8 – Concentrations of Risk**

Playworks has defined its financial instruments which are potentially subject to credit risk. The financial instruments consist principally of cash and receivables.

Periodically, throughout the year, Playworks has maintained balances in various operating and money market accounts in excess of federally insured limits.

Grants and pledges receivable consist primarily of unsecured amounts due from individuals, corporations, foundations, and government agencies. Approximately 73% of grants and pledges receivable were from eight organizations as of June 30, 2024. Approximately 78% of grants and pledges receivable were from three organizations as of June 30, 2023.

#### **Note 9 – Related-Party Transactions**

Included among Playworks' Board of Directors and officers are volunteers from the community who provide governance and valuable assistance to Playworks in the development of policies, programs, and in the evaluation of business transactions. Playworks has adopted a conflict-of-interest policy whereby board members are disqualified from participation in the final decisions regarding any action affecting their related company or agency.

A board member is a principal at a company that owns the building in which Playworks rents office space in 638 3rd Street Oakland, California. Rent expense for the years ended June 30, 2024 and 2023, was \$117,720 and \$126,300, respectively, which includes \$45,720 and \$54,300, respectively, of in-kind rent expense which is included in office space per Note 7.

#### **Note 10 – Retirement Plan**

Playworks sponsors a defined contribution plan under Internal Revenue Code Section 401(k) (the Plan). Under the Plan's provisions, participating employees can make voluntary contributions through salary deductions up to the maximum amount allowed by law. Playworks is authorized to make employer contributions on behalf of its eligible employees. On May 19, 2022, Playworks' Board of Directors approved an employer match of 3% of employee contributions, effective August 1, 2022. During the years ended June 30, 2024 and 2023, Playworks contributed \$507,988 and \$407,208, respectively.

## Playworks Education Energized Notes to Financial Statements

---

### Note 11 – Health Insurance Program

Playworks sponsors the Health and Welfare Benefit Plan (the Benefit Plan) with UHC. Effective August 1, 2023, Cigna Health and Life Insurance Company (Cigna) replaced United Health Care (UHC) as the provider of Health and Dental insurance for employees. During the years ended June 30, 2024 and 2023, Playworks incurred \$1,653,155 and \$1,393,530 of expenses related to the Benefit Plan, respectively. Of these amounts, \$182,257 and \$9,185 were accrued at June 30, 2024 and 2023, respectively.

### Note 12 – Fiscal Sponsorship

In December 2015, Playworks' Board of Directors authorized management to create a fiscal sponsorship arrangement with Substantial. Substantial became a fiscally sponsored project within Playworks as of January 15, 2016. Substantial is partnering with schools and districts to help re-design the way they recruit, train, and support substitute teachers, ensuring the time spent in classroom is engaging for students and rewarding for adults. Playworks accepts restricted contributions for this project and provides all support functions as it launches into a new social enterprise. As of June 30, 2024, \$57,384 is included in net assets with donor restrictions related to Substantial and is included in national expension per Note 4. As of June 30, 2023, there were no net assets with donor restrictions related to Substantial.

### Note 13 – Liquidity and Availability

The following table reflects Playworks' financial assets as of June 30, reduced by amounts not available for general expenditure within one year:

	2024	2023
Financial assets		
Cash and cash equivalents	\$ 15,527,931	\$ 9,473,943
Accounts receivable, net	2,672,349	1,961,809
Grants and pledges receivable	2,140,933	4,780,644
Investments	2,339,503	7,487,003
Financial assets at June 30	22,680,716	23,703,399
Less those unavailable for general expenditure within one year, due to:		
Receivables collectible beyond one year	220,449	57,163
Financial assets available to meet cash needs for general expenditure within one year	\$ 22,460,267	\$ 23,646,236

As of June 30, 2024 and 2023, Playworks has approximately \$3.5 million and \$3.6 million, respectively, of net assets with donor restrictions. Financial assets are considered unavailable when they are illiquid or cannot be converted to cash within a reasonable period, typically one year from the statements of financial position date. Playworks has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

## **Playworks Education Energized**

### **Notes to Financial Statements**

---

#### **Note 14 – Subsequent Events**

Subsequent events are significant occurrences or transactions that take place after the statement of financial position date but before the financial statements are available to be issued. Playworks recognizes the effects of all subsequent events that provide additional evidence about conditions that existed at the statement of financial position date, including estimates used in preparing the financial statements. However, Playworks does not recognize subsequent events that provide evidence of conditions that arose after the statement of financial position date but before the financial statements were available to be issued.

Playworks has evaluated subsequent events through October 4, 2024, which is the date the financial statements were available to be issued.

## **Schedule of Expenditures of Federal Awards**

---



**Playworks Education Energized**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

---

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Corporation for National and Community Service			
Direct Award			
AmeriCorps State and National	94.006		\$ 1,550,099
Passed through Program from: the Massachusetts Service Alliance			
AmeriCorps State and National	94.006	21ACFMA0010006	<u>361,097</u>
Total expenditures for ALN 94.006 and total expenditures for federal awards			<u><u>\$ 1,911,196</u></u>

---

See accompanying notes to schedule of expenditures of federal awards.

**Playworks Education Energized**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

---

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Playworks Education Energized (Playworks) under programs of the federal government for the year ended June 30, 2024. 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 Playworks, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of Playworks.

**Note 2 – Summary of Significant Accounting Policies**

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

Playworks did not provide any federal awards to subrecipients during the year ended June 30, 2024.

Playworks has elected not to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

## **Report of Independent Auditors 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***

The Board of Directors  
Playworks Education Energized

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 (*Government Auditing Standards*), the financial statements of Playworks Education Energized (Playworks), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated October 4, 2024.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Playworks' 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 Playworks' internal control. Accordingly, we do not express an opinion on the effectiveness of Playworks' 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 Playworks' 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 Playworks' 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 Playworks' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Playworks' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Moss Adams LLP".

San Francisco, California  
October 4, 2024



## **Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

The Board of Directors  
Playworks Education Energized

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Playworks Education Energized's (Playworks) 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 Playworks' major federal program for the year ended June 30, 2024. Playworks' 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, Playworks complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Playworks 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 the major federal program. Our audit does not provide a legal determination of Playworks' 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 Playworks' federal program.

### ***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 Playworks' 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 GAAS, *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 Playworks' compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Playworks' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Playworks' 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 Playworks' 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.

A handwritten signature in cursive script that reads "Moss Adams LLP".

San Francisco, California  
October 4, 2024

**Playworks Education Energized  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

---

**Section I – Summary of Auditor’s Results**

---

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major federal program:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal program and type of auditor’s report issued on compliance for major federal program:

<i>Federal Assistance Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Program</i>
94.006	AmeriCorps State and National	<i>Unmodified</i>

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

Auditee qualified as low-risk auditee?  Yes  No

**Section II – Financial Statement Findings**

---

None reported.

**Section III – Federal Award Findings and Questioned Costs**

---

None reported.





# PLAYWORKS

## Summary Schedule of Prior Audit Findings

**Name of Auditee:** Playworks Education Energized

**Period Covered by the Audit:** July 1, 2022 to June 30, 2023

**Name of Audit Firm:** Moss Adams LLP

There were no prior audit findings noted.

