AMIkids, Inc. and Affiliates

COMBINED FINANCIAL STATEMENTS AND SCHEDULES

Year ended June 30, 2021
(With comparative information for 2020)



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REPORT

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
AMIkids, Inc.

Report on the Financial Statements

We have audited the accompanying combined financial statements of AMIkids, Inc. and Affiliates (the "Organization"), which comprise the combined statement of financial position as of June 30, 2021, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of AMIkids, Inc. and Affiliates as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, 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) and Chapter 10.650, Rules of the Auditor General, *Florida Single Audit Act Audits – Nonprofit and For-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Report on Supplementary Information

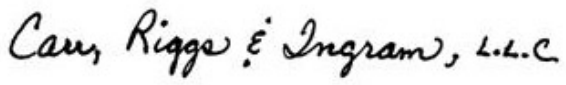
Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental schedules, as described in the table of contents, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined 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 20, 2021, on our consideration of AMIkids, Inc. and Affiliates' 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 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 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 AMIkids Inc. and Affiliates' internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the AMIkids, Inc. and Affiliates' 2020 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated September 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.



CARR, RIGGS & INGRAM, LLC

Tampa, Florida
October 20, 2021

FINANCIAL STATEMENTS

AMIkids, Inc. and Affiliates
Combined Statements of Financial Position

June 30,	**2021**	2020
Assets		
Cash and cash equivalents	**$ 22,615,185**	$ 16,062,645
Investments	**6,166,110**	5,793,658
Accounts receivable:		
Funding agencies	**4,133,038**	4,529,796
Other	**806,454**	510,600
Contributions receivable	**95,878**	338,071
Prepaid expenses and other assets	**1,950,017**	1,667,004
Assets held for sale	**183,626**	263,626
Boat inventory	**2,396,566**	9,196,614
Boats under lease	**27,206,537**	13,890,033
Beneficial interest in assets held by others	**1,275,948**	1,031,636
Property and equipment, net	**12,915,569**	13,395,651
Total assets	**$ 79,744,928**	$ 66,679,334
Liabilities and Net Assets		
Liabilities:		
Lines of credit	**$ 4,750,000**	$ 4,850,000
Accounts payable	**1,292,403**	2,947,636
Accrued expenses	**8,004,264**	8,013,337
Accrued pension	**2,353,878**	2,083,794
Deferred revenues	**7,854,717**	5,494,068
Security deposits	**6,189,375**	3,347,925
Obligations under capital lease	**673,728**	651,482
Notes payable	**2,882,004**	3,175,506
Total liabilities	**34,000,369**	30,563,748
Net assets:		
Without donor restrictions		
Undesignated	**40,554,012**	32,668,271
With donor restrictions	**5,190,547**	3,447,315
Total net assets	**45,744,559**	36,115,586
Total liabilities and net assets	**$ 79,744,928**	$ 66,679,334

The accompanying notes are an integral part of these combined financial statements.

AMIkids, Inc. and Affiliates
Combined Statements of Activities

For the years ended June 30,	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Summarized Total
Public support and revenue				
State support:				
Florida	**$ 15,953,782**	**$ -**	**$ 15,953,782**	$ 17,514,538
South Carolina	**11,380,269**	**-**	**11,380,269**	10,044,490
Virginia	**6,276,266**	**-**	**6,276,266**	8,322,789
North Carolina	**2,877,578**	**-**	**2,877,578**	2,877,600
Louisiana	**2,130,976**	**-**	**2,130,976**	3,035,815
Georgia	**1,402,232**	**-**	**1,402,232**	1,447,810
New Mexico	**177,313**	**-**	**177,313**	-
Alabama	**137,216**	**-**	**137,216**	332,311
Texas	**68,391**	**-**	**68,391**	502,661
Federal support	**7,974,898**	**-**	**7,974,898**	4,072,615
Regional support	**6,782,936**	**-**	**6,782,936**	7,662,540
Contributions	**2,751,187**	**2,875,295**	**5,626,482**	4,644,431
Total public support	**57,913,044**	**2,875,295**	**60,788,339**	60,457,600
Revenue:				
Boat program (Note 1)	**21,304,523**	**-**	**21,304,523**	22,352,870
Investment income	**607,383**	**139,343**	**746,726**	292,640
Other	**1,708,539**	**-**	**1,708,539**	656,035
Total revenue	**23,620,445**	**139,343**	**23,759,788**	23,301,545
Net assets released from restrictions	**1,271,406**	**(1,271,406)**	**-**	-
Total public support and revenue	**82,804,895**	**1,743,232**	**84,548,127**	83,759,145
Expenses				
Program services	**53,064,300**	**-**	**53,064,300**	56,846,370
Boat program	**15,861,818**	**-**	**15,861,818**	14,560,809
Management and general	**5,674,603**	**-**	**5,674,603**	5,920,461
Fundraising	**318,433**	**-**	**318,433**	534,578
Total expenses	**74,919,154**	**-**	**74,919,154**	77,862,218
Change in net assets	**7,885,741**	**1,743,232**	**9,628,973**	5,896,927
Net assets, beginning of year	**32,668,271**	**3,447,315**	**36,115,586**	30,218,659
Net assets, end of year	**$ 40,554,012**	**$ 5,190,547**	**$ 45,744,559**	$ 36,115,586

The accompanying notes are an integral part of these combined financial statements.

AMIkids, Inc. and Affiliates
Combined Statements of Functional Expenses

	Program Services						Supporting Services					
For the years ended June 30,	Residential Treatment	Day Treatment	Family Services	Service Coordination	Other	Programs subtotal	Boat Program	Management and General	Fundraising	Support Services subtotal	2021 Total	2020 Summarized Total
Salaries	$ 12,998,076	$ 11,264,467	$ 2,339,435	$ 381,623	$ -	$ 26,983,601	$ 1,112,239	$ 2,355,209	$ 180,794	$ 3,648,242	$ 30,631,843	$ 31,397,392
Employee benefits and payroll taxes	3,825,827	3,313,967	656,453	87,708	-	7,883,955	203,228	711,081	50,163	964,472	8,848,427	7,881,679
Equipment and maintenance	1,267,325	824,385	29,043	6,209	-	2,126,962	2,296,878	131,880	275	2,429,033	4,555,995	4,242,926
Insurance	1,017,660	1,096,504	232,505	21,716	244	2,368,629	384,947	226,087	-	611,034	2,979,663	2,571,429
Student supplies and training	1,200,361	887,656	4,520	-	-	2,092,537	-	3	-	3	2,092,540	2,987,137
Rent and utilities	1,246,432	570,084	97,498	9,331	-	1,923,345	14,619	44,491	-	59,110	1,982,455	2,137,850
Professional fees	159,301	214,540	13,861	-	-	387,702	414,692	1,211,607	45,509	1,671,808	2,059,510	2,710,545
Office and other supplies	523,101	385,206	88,222	6,482	2,545	1,005,556	74,907	648,078	33,883	756,868	1,762,424	1,599,415
Depreciation and amortization	426,694	718,767	8,289	-	232,155	1,385,905	167,326	21,129	-	188,455	1,574,360	1,552,360
Impairment and other expenses	163	10,063	9,580	-	-	19,806	340,846	-	-	340,846	360,652	800,574
Conferences and training	166,818	133,176	146,998	162	-	447,154	2,030	43,574	619	46,223	493,377	631,900
Travel	263,979	93,274	18,465	794	-	376,512	61,588	23,348	3,635	88,571	465,083	745,710
Community development	11,634	146,735	2,898	23	-	161,290	4,086	143,311	235	147,632	308,922	666,081
Other staff expenses	153,945	107,741	7,012	1,499	-	270,197	924	22,457	3,320	26,701	296,898	309,897
Interest	35,217	21,291	111	-	1,184	57,803	122,463	92,348	-	214,811	272,614	452,529
Payments to direct service providers	-	-	-	5,573,346	-	5,573,346	-	-	-	-	5,573,346	7,619,869
Amortization of boats on charter	-	-	-	-	-	-	4,561,314	-	-	4,561,314	4,561,314	2,984,608
Commissions	-	-	-	-	-	-	3,679,067	-	-	3,679,067	3,679,067	3,436,957
Costs of sales	-	-	-	-	-	-	2,420,664	-	-	2,420,664	2,420,664	3,133,360
Total Expenses	$ 23,296,533	$ 19,787,856	$ 3,654,890	$ 6,088,893	$ 236,128	$ 53,064,300	$ 15,861,818	$ 5,674,603	$ 318,433	$ 21,854,854	$ 74,919,154	$ 77,862,218

The accompanying notes are an integral part of these combined financial statements.

AMIkids, Inc. and Affiliates
Combined Statements of Cash Flows

For the years ended June 30,	**2021**	2020
Cash flows from operating activities:		
Change in net assets	**$ 9,628,973**	$ 5,896,927
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	**6,135,674**	4,536,968
Net (gain) loss on disposal/impairment of property and equipment and assets held for sale	**(1,186,582)**	2,019,833
Donated boat inventory	**(12,275,231)**	(14,410,182)
Donated property and equipment	**-**	(39,071)
Realized and unrealized gains on investments	**(647,526)**	(113,095)
(Increase) decrease in:		
Accounts receivable	**100,504**	1,280,100
Contributions receivable	**242,193**	(298,071)
Prepaid expenses and other assets	**1,106,817**	667,253
Boats under lease	**1,192,547**	1,918,596
Increase (decrease) in:		
Accounts payable	**(1,655,233)**	(40,179)
Accrued expenses	**(9,073)**	510,023
Accrued pension	**270,084**	(14,140)
Deferred revenues	**2,360,649**	2,033,106
Security deposits	**2,841,450**	275,925
Net cash and cash equivalents provided by operating activities	**8,105,246**	4,223,993
Cash flows from investing activities:		
Purchases of property and equipment	**(1,871,761)**	(1,996,225)
Proceeds from sale of property and equipment and assets held for sale	**2,336,248**	111,580
Proceeds from sale of investments	**6,239,324**	2,992,741
Purchases of investments	**(6,208,562)**	(1,088,005)
Net cash and cash equivalents provided by investing activities	**495,249**	20,091
Cash flows from financing activities:		
Net borrowings (repayments) on lines of credit	**(100,000)**	1,000,000
Proceeds from new borrowings from third parties	**229,870**	-
Payments on notes payable	**(1,912,120)**	(801,310)
Payments on capital lease obligations	**(265,705)**	(166,101)
Net cash and cash equivalents (used in) provided by financing activities	**(2,047,955)**	32,589
Net increase in cash and cash equivalents	**6,552,540**	4,276,673
Cash and cash equivalents at beginning of year	**16,062,645**	11,785,972
Cash and cash equivalents at end of year	**$ 22,615,185**	$ 16,062,645
Cash paid for interest	**$ 272,614**	$ 452,529
Supplemental disclosure of noncash investing and financing activities:		
Capital lease obligation incurred for use of equipment	**$ 286,869**	$ 756,392
Insurance premium financing	**$ 1,389,830**	$ 742,710

The accompanying notes are an integral part of these combined financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

AMIkids, Inc., AMIkids Foundation, Inc., and affiliated member institutes and schools, non-profit corporations (collectively referred to as "AMIkids" or the "Organization"), are engaged in the rehabilitation of troubled youth by providing education, treatment and behavior modification as components of the AMIkids Personal Growth Model©. These services are performed by AMIkids through over forty affiliated, but independently governed member institutes and schools located in Alabama, Florida, Georgia, Louisiana, New Mexico, North Carolina, South Carolina, Texas and Virginia. The educational component of AMIkids, Inc. and the affiliated institutes and schools is accredited by Cognia, a global accrediting agency dedicated to advancing excellence in schools, universities, and educational agencies. AMIkids' operating funds are primarily generated from state and federal contracts. AMIkids, Inc. executes the majority of contracts, collects funds, coordinates the operations, and maintains the records of these member institutes and schools.

As part of the combined group, AMIkids Foundation, Inc. supports the group in raising funds and investment management.

Continued operation of AMIkids' rehabilitation programs is dependent on funding from state, federal and local agencies.

Basis of Presentation

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

The combined financial statements include the accounts of AMIkids, Inc., AMIkids Foundation, Inc., and affiliated member institutes and schools. All significant intercompany balances and transactions have been eliminated.

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and capital assets reserve.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to allowance for doubtful accounts, fair value of investments and net realizable value of boat inventory.

Cash and Cash Equivalents

Cash and cash equivalents represent cash and highly liquid investments with original maturities of three months or less.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Investment Income

Investments are recorded at cost at the time of purchase. Donated securities are recorded at fair value at the time of donation. Subsequent changes in fair value, regardless of how an investment is obtained, are determined based on quoted market prices and values provided by the investment sponsors, and are recorded as unrealized gains and losses. Net appreciation (depreciation) of investments reflects the net realized and unrealized gains and losses of investments during the reporting period. Interest and dividends are recorded as earned. Dispositions of securities are reflected in the combined financial statements as of the trade date.

Beneficial Interest in Assets Held by Others

Beneficial interest in assets held by others consist of funds held by the Community Foundation of Tampa Bay, Southwest Florida Community Foundation and the Manatee Community Foundation ("Community Foundations"), unrelated organizations. The Community Foundations are an external investment pool, where the Organization has a beneficial interest in the investment pool and no individual securities. The Organization has no control over investment pricing or investment selection within the investment pool.

Accounts Receivable

Accounts receivable consists primarily of receivables from federal and state agencies and county school boards. AMIkids reviews outstanding receivables for collectability based on historical payment history from the payer and any known circumstances casting doubt over the collectability of accounts and reserves for amounts considered to be uncollectible. AMIkids considers accounts receivable to be fully collectible and therefore no material allowance has been recorded. Amounts becoming uncollectible will be charged against the allowance for doubtful accounts when that determination is made.

Contributions Receivable

Unconditional promises to give the Organization in cash or other assets in the future are recorded as contribution revenue (with donor restriction) and contributions receivable. If management expects the cash from the contribution receivable to be received more than one year in the future, the contribution revenue and receivable are discounted for the time value of money (i.e., net present value) at a discount rate of 2.75% for 2021. Management estimates the allowance for uncollectible promises based on historical write-offs. Management writes off contributions receivable as identified.

In accordance with ASC 958-605-30-5 pledges are reported at net realizable value in the initial year and a discount is recorded. These pledges are not revalued in subsequent years and the Institute has not elected the fair value option under ASC 825-10. The discount amortization is recognized as contribution revenue in subsequent years.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Boat Inventory

Boat inventory represents boats held for lease which are valued at fair value less estimated selling expenses at the time of the donation. Boat inventory is recorded at net realizable value, as of June 30, 2021 and 2020, and was $2,396,566 and $9,196,614, respectively. Net realizable value is estimated based on third party appraisals, broker valuations, management's experience with the boat charter industry and estimated selling expenses are based on management's historical relationship with brokers. Net realizable values are reviewed quarterly by management and are reduced for impairment when necessary. Adjustments to net realizable values are recorded as a reduction in boat program revenue if the adjustment is made during the year of the donation and as an increase in boat program expense if made in subsequent years. Normal expenditures for repairs and maintenance of boats are expensed as incurred.

Boats under Lease

AMIkids leases its boats to third parties under operating leases for periods of up to three years. The operating leases contain options to purchase the boat at the end of the charter period for the fair value estimated by management at lease inception, with all of the lease payments applied to the purchase price. Revenues are recognized as received except for security deposits, the option fee, and short-term lease payments, an additional payment made for the one year period commencing on the lease commencement date. Security deposits are recorded as a liability and are recognized as revenue if and when the purchase option is exercised. The option fee and short-term lease payments are amortized over the life of the lease. If the purchase option is not exercised, the boat is returned to AMIkids, Inc. and the security deposit is returned to the lessee after deducting all necessary expenses for the boat to be in the same condition as at time of initiation of the lease. Lease commission and inventory value are deferred and amortized over the life of the lease and other direct costs are expensed as incurred.

Future minimum lease payments due under operating leases during fiscal years 2022, 2023 and 2024 are approximately $4,672,000, $3,495,000 and $1,488,000, respectively. At June 30, 2021 and 2020, the unexercised purchase options were approximately $11,960,000 and $6,473,000, respectively. The gross value and accumulated amortization on leased property as of June 30, 2021 was $40,014,912 and $12,808,375, respectively. The net leased property of $27,206,537 includes $1,845,898 of unamortized commission. The gross value and accumulated amortization on leased property as of June 30, 2020 was approximately $16,785,210 and $2,895,177, respectively. The net leased property of approximately $13,890,033 includes $833,451 of unamortized commission. Amortization of boats under lease amounted to approximately $4,562,000 and $2,988,000 for the years ended June 30, 2021 and 2020, respectively. Amortization does not include the book value of boats optioned or sold to buyers, which was approximately $2,029,873 and $3,190,000 for the years ended June 30, 2021 and 2020, respectively.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost if purchased or at estimated fair value at date of receipt if donated. Property and equipment transferred to an institute or school by a funding agency are stated at estimated fair value at date of transfer. Property and equipment transferred or acquired with grant funds may revert to the funding agency should the institute or school no longer provide the services required by the contract. At the time property is retired, or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in earnings. Repairs and maintenance are expensed when incurred.

Depreciation and amortization is calculated using the straight-line method over the following estimated useful lives of the assets (shorter of estimated useful life or term of the lease as to leasehold improvements) as follows:

Permanent site improvements	3-30 years
Buildings and leasehold improvements	5-30 years
Furniture, fixtures and equipment	3-5 years
Motor vehicles	3-5 years
Boats, motors and trailers	3 years
Swimming pools	10 years

Assets Held for Sale

As of June 30, 2021 and 2020, the Organization intends to sell the following properties and has classified the net book value of the land, building and improvements as held for sale on the combined statement of financial position:

Institute	Property held for sale as of June 30,	2021	2020
Behavioral Health	Land	**$ -**	$ 80,000
Gainesville	Land, buildings and improvements	**63,626**	63,626
Virginia Wilderness	Land, buildings and improvements	**120,000**	120,000
		$ 183,626	$ 263,626

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets and Assets Held for Sale

AMIkids reviews all long-lived assets, which consist primarily of property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the discounted cash flows. Recoverability of assets held for sale is measured by a comparison of the assets' carrying value to its fair value and any excess of its carrying value over fair value is recorded as impairment.

Deferred Revenue

Deferred revenue is related to grant, short-term boat lease payments, and boat option fees collected in advance of revenue recognition.

During 2021 and 2020, the Organization received $846,636 and $2,486,259, respectively in loan proceeds under the Paycheck Protection Program (PPP) pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and administered by the Small Business Administration (SBA). The PPP provides for forgivable loans to qualifying organizations. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll costs, rent and utilities and the borrower maintains specified levels of payroll and employment.

If the loans are not forgiven, the lender will establish the terms for repayment of the loan balance including monthly payments and the interest rate (not exceeding 1% per annum). Legislation issued subsequent to the date the loans were executed allows for monthly principal and interest payments on the loan to commence on the date the SBA remits the borrower's loan forgiveness amount to the lender or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period through the loan maturity date.

The Organization is recognizing revenue from the PPP loan following the guidance under FASB ASC 958-605, government grant model. PPP loans are considered a conditional contribution and recorded as deferred revenue on the combined statements of financial position until all the barriers to entitlement are met. The Organization considers the barriers to be incurrence of eligible costs and maintaining specified levels of payroll and employment. Revenue is recognized once conditions have been substantially met or explicitly waived.

The Organization is using the PPP loan funds for its payroll and benefits costs, purposes consistent with the PPP. The Organization is uncertain about qualifications for forgiveness and, therefore, will delay recognition of the PPP loan as contribution revenue until it is forgiven. As of June 30, 2020, PPP loan funds are recorded as a deferred revenue on the combined statements of financial position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In 2021, the Organization received SBA notification that $2,486,259 of PPP loan proceeds were forgiven. The Organization has reported the forgiveness as federal revenue on the combined statements of activates.

Unforgiven PPP loan proceeds by affiliate as of June 30, 2021 are as follows and included in deferred revenues on the combined statements of net position.

Affiliate		Loan proceeds
AMIkids Acadiana, Inc.	$	316,527
AMIkids Alabama, Inc.		24,647
AMIkids Rio Grande Valley, Inc.		101,600
AMIkids YES, Inc.		403,862
Total loan proceeds	$	846,636

Use of Facilities

Facilities provided by a funding agency and other donors to an institute or school for use during the term of its contract are recorded as an in-kind contribution and rental expense in the financial statements in the period in which the facilities are utilized by the institute or school. The amounts recorded in each period of use by the institute or school represent the difference between the fair rental value of the facilities and the stated amount of the rent payments. The stated amount of the rent payments is generally zero. In-kind rental contributions and the related rental expense were approximately $455,000 and $425,000 for the years ended June 30, 2021 and 2020, respectively, and are reflected as contribution revenue and rent and utilities expense, respectively, in the accompanying combined financial statements.

Public Support and Revenue

Public support is primarily from AMIkids's contracts with various state agencies. Contracts with state agencies generally provide funding based on client service days. Other public support represents amounts received from federal and local sources.

A significant portion of AMIkids's and the Institute's grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Public support contracts are analyzed for measurable performance-related barriers or other measurable barriers, primarily client service days or expenditure of resources on allowable costs. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as deferred revenues.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Public Support and Revenue (Continued)

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions are initially recorded as increases in net assets with donor restrictions.

Donated Services

Amounts are reported in the financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by the individuals possessing those skills and would be typically purchased if not provided by donation. For the years ended June 30, 2021 and 2020, donated services were approximately $109,000 and $99,000, respectively.

Functional Allocation of Expenses

The costs of providing the various services have been summarized on a functional basis between program services, and supporting services. Certain costs have been allocated among program services and supporting services. Salaries are allocated based on the time and effort expended between program and supporting services. Rent and Utilities and Equipment and Maintenance costs are allocated based on the ratio allocation of salaries between program and management and general.

Income Taxes

AMIkids, Inc., AMIkids Foundation, Inc., and affiliated member institutes and schools are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. There is minimal income tax associated with unrelated business income mainly from the sale of donated boats.

The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the combined statement of financial position. The Organization has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Organization would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Organization's tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain items relating to Virginia state support and payments to direct service providers have been reclassified in the 2020 financial statements to agree to the current presentation. There was no impact to the change in net assets.

Recent Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This change in accounting principle did not have a material impact on the combined financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance. This change in accounting principle did not have a material impact on the combined financial statements.

In February 2016, the FASB issued an accounting standard which requires the recognition of assets and liabilities arising from lease transactions on the statement of financial position and the disclosure of additional information about leasing arrangements. Under the new guidance, for all leases, interest expense and amortization of the right to use asset will be recorded for leases determined to be financing leases and straight-line lease expense will be recorded for leases determined to be operating leases. Lessees will initially recognize assets for the right to use the leased assets and liabilities for the obligations created by those leases. The new accounting standard must be adopted using a modified retrospective approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The accounting standard is effective for the Organization beginning with the year ended June 30, 2022, with early adoption permitted. The Organization is currently in the process of assessing what impact this new standard may have on its combined financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the combined financial statements were available to be issued, October 20, 2021 and determined there were no events that occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these combined financial statements.

NOTE 2: COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2020, from which the summarized information was derived.

NOTE 3: CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2021 are summarized as follows:

Expected receipt of contribution in:		
2022	$	41,168
2023		20,000
2024		20,000
2025		20,000
Gross contributions receivable		101,168
Less discount for present value		(5,290)
Net contributions receivable	$	95,878

NOTE 4: BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Board Designated Funds

During 2016, the Organization created a board designated donor-advised fund. The board designated fund was created with a contribution of $283,770. The fund investments are under the direction of the Southwest Florida Community Foundation and will be for the benefit of qualified charitable organizations. The board designated funds are considered net assets without donor restrictions. The Organization has the ability to direct the Community Foundation as to distributions. The intent of the Organization is to direct all distributions to benefit the Organization.

During 2019, the Organization created a Non-Profit Organization Agency Fund. The fund was created with a contribution of $75,000. The fund investments are under the direction of the Manatee Community Foundation and will be for the benefit of AMIkids Manatee, Inc. The agency funds are considered net assets without donor restrictions. The Organization has the ability to direct the Community Foundation as to distributions. The intent of the Organization is to distribute funds to AMIkids Manatee for its unrestricted use.

NOTE 4: BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (Continued)

Donor Restricted Funds (Continued)

During 2016, the Organization created a board designated endowment fund with a donation of $25,000 to the Southwest Florida Community Foundation. During 2018, the Organization received a $30,000 restricted donation to the fund to be used for education services. The donor restricted fund is invested in the Southwest Florida Community Foundation. The fund investments are under the direction of the Community Foundation. The funds are considered net assets with donor restrictions. The Organization has the ability to direct the Community Foundation as to distributions. The intent of the Organization is to direct all distributions to educational services.

During 2020, the Organization created an AMIkids Endowment Fund. The fund was created with a contribution of $400,000. The fund investments are under the direction of the Community Foundation of Tampa Bay and will be for the benefit of AMIkids Foundation, Inc. The fund investments are under the direction of the Community Foundation. The intent of this fund is to maintain the corpus and to make distributions from investment appreciation. The funds are considered net assets with donor restrictions. The Organization has the ability to distribute all dividends and interest less investment fees for educational services.

The activity for the beneficial interest in assets held by others for the years ended June 30, 2021 and 2020 is the following:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2020			
Board designated funds	$ 592,488	$ -	$ 592,488
Donor restricted funds	-	58,595	58,595
Total	$ 592,488	$ 439,148	$ 1,031,636
June 30, 2021			
Board designated funds	**$ 709,933**	**$ -**	**$ 709,933**
Donor restricted funds	**-**	**566,015**	**566,015**
Total	**$ 709,933**	**$ 566,015**	**$ 1,275,948**

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2019	$ 600,381	$ 61,582	$ 661,963
Net appreciation (realized and unrealized)	(7,893)	(22,434)	(30,327)
Contributions	-	400,000	400,000
June 30, 2020	$ 592,488	$ 439,148	$ 1,031,636
Net appreciation (realized and unrealized)	**117,445**	**126,867**	**244,312**
June 30, 2021	**$ 709,933**	**$ 566,015**	**$ 1,275,948**

NOTE 5: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the organization has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Level 1 Fair Value Measurements:

Level 1 investments include certificates of deposits, pooled equity funds, pooled fixed income funds, equity securities and government securities valued based on quoted market prices.

Level 2 Fair Value Measurements:

Level 2 investments include money market funds valued based on quoted prices for identical or similar assets or liabilities in inactive markets.

NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

Level 3 Fair Value Measurements:

Level 3 assets consist of beneficial interest in assets held by others managed by a third-party unrelated organization. The beneficial interest in assets held by others are valued based on third-party pricing information without adjustment. The Organization does not develop nor are they provided with the quantitative inputs used to develop the fair market values. See activity of beneficial interest in assets held by others in Note 4.

The following tables present the fair value of the investments recorded at fair value on a recurring basis, segregated amount the appropriate levels within the fair value hierarchy for the years ended June 30, 2021 and 2020, respectively:

		Fair Value Measurements at Reporting Date Using:		
June 30, 2021	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Investments				
Certificates of deposits	**$ 386,482**	**$ 386,482**	**$ -**	**$ -**
Pooled equity funds	**2,544,134**	**2,544,134**	**-**	**-**
Equity securities	**470,838**	**470,838**	**-**	**-**
Government securities	**2,764,656**	**2,764,656**	**-**	**-**
Total investments	**6,166,110**	**6,166,110**	**-**	**-**
Beneficial interest in assets held by others	**1,275,948**	**-**	**-**	**1,275,948**
Total	**$ 7,442,058**	**$ 6,166,110**	**$ -**	**$ 1,275,948**

		Fair Value Measurements at Reporting Date Using:		
June 30, 2020	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Investments				
Certificates of deposits	$ 54,478	$ 54,478	$ -	$ -
Pooled equity funds	2,085,398	2,085,398	-	-
Money market funds	502,013	-	502,013	-
Equity securities	324,038	324,038	-	-
Government securities	2,827,731	2,827,731	-	-
Total investments	5,793,658	5,291,645	502,013	-
Beneficial interest in assets held by others	1,031,636	-	-	1,031,636
Total	$ 6,825,294	$ 5,291,645	$ 502,013	$ 1,031,636

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 and 2020 consist of:

	2021	2020
Land and permanent site improvements	**$ 3,246,550**	$ 3,210,976
Buildings and leasehold improvements	**19,883,561**	20,540,389
Furniture, fixtures and equipment	**6,583,689**	6,652,809
Motor vehicles	**2,448,017**	2,575,941
Boats, motors and trailers	**1,562,602**	1,590,245
Swimming pools	**474,634**	467,811
Software	**2,280,516**	2,280,516
Construction in progress	**2,553,566**	1,835,510
	39,033,135	39,154,197
Less accumulated depreciation and amortization	**(26,117,566)**	(25,758,546)
	$ 12,915,569	$ 13,395,651

Included in furniture, fixtures and equipment and motor vehicles are assets recorded under capital leases with a cost and accumulated depreciation of $1,026,303 and $375,384, respectively, at June 30, 2021 and $842,999 and $204,239 respectively, at June 30, 2020.

Certain of AMIkids' affiliated institutes and schools have purchased various assets with contract or grant funds. Under the terms of these contracts, the funding agency may require such assets to be returned upon termination of the contract or program.

NOTE 7: LINES OF CREDIT

Lines of credit at June 30, 2021 and 2020 consist of:

Entity		2021	2020
AMIkids, Inc.	Line of Credit, maximum principal amount of $3,000,000, bearing variable interest at 2.4% above the SunTrust 30 Day LIBOR (interest rate at June 30, 2021 and 2020 was 2.75% and 2.60%, respectively), expiring June 10, 2022,collateralized by government receivables, with carrying value of approximately $2,400,000.	**$ -**	$ -
AMIkids, Inc.	Line of Credit, maximum principal amount of $8,000,000, bearing variable interest at 2.4% above the SunTrust 30 Day LIBOR (interest rate at June 30, 2021 and 2020 was 2.75% and 2.60%, respectively), expiring June 10, 2022, collateralized by vessel inventory and lease receivables with carrying value of approximately $21,945,000.	**4,750,000**	4,850,000
	Total Borrowings on Lines of Credit	**$ 4,750,000**	$ 4,850,000

NOTE 7: LINES OF CREDIT (Continued)

The AMIkids, Inc. lines of credit are cross-collateralized and are secured by the borrowing-base assets disclosed above as well as other assets of AMIkids, Inc.

At June 30, 2021 and 2020, the Organization had a borrowing capacity of $11,000,000 under lines of credit subject to availability based on asset levels. The actual amount available based on assets levels as of June 30, 2021 and 2020 in excess of the amount utilized was approximately $6,250,000 and $4,350,000, respectively. The AMIkids, Inc. lines of credit contain restrictive financial covenants related to liquidity to modified debt ratio and the maintenance of minimum cash and marketable securities levels. The Organization was in compliance with these restrictive covenants as of and for the years ended June 30, 2021 and 2020.

NOTE 8: NOTES PAYABLE

Notes payable at June 30, 2021 and 2020 consists of:

Entity		2021	2020
AMIkids, Inc.	Mortgage payable bearing interest at 30 Day LIBOR index rate plus 2.05%; monthly installments of $13,889 plus interest, due February 2023, collateralized by real properties in Pinellas and Hillsborough Counties, with carrying value of approximately $369,000.	**$ 1,958,333**	$ 2,125,000
AMIkids, Inc.	Insurance premium financing bearing interest of 3.75%; monthly installments of $125,056 plus interest; due November 2021	**496,281**	300,016
Jacksonville	Mortgage payable in monthly principal installments of $3,927 plus interest of 4.15%, due March 2032, secured with real property, with carrying value of $587,000, and guaranteed by AMIkids, Inc.	**407,820**	436,239
Panama City	Mortgage payable in monthly installments of $3,410, including interest at 4.75% with balloon payment of approx. $232,552, due January 2022, paid in full during 2021.	**-**	275,726
Tampa	Note payable in monthly installments of $377, including interest at 6.33%, due December 2023, collateralized by vehicle with carrying value of approximately $-0-.	**10,117**	13,872
Acadiana	Note payable in monthly installments of $713, including interest at 9.94%, due January 2022, collateralized by vehicle, with carrying value of $-0-.	**4,891**	12,480
Acadiana	Note payable in monthly installments of $672, including interest at 5.84%, due January 2022, collateralized by vehicle, with carrying value of $-0-.	**4,562**	12,173
	Total Notes Payable	**$ 2,882,004**	$ 3,175,506

NOTE 8: NOTES PAYABLE (Continued)

Principal payments on notes payable for years subsequent to June 30, 2021 are as follows:

Year ending June 30,	
2022	$ 707,186
2023	1,828,014
2024	35,300
2025	34,859
2026	36,333
Thereafter	240,312
	$ 2,882,004

NOTE 9: OBLIGATIONS UNDER CAPITAL LEASE

The Organization leases vehicles and office equipment, under various capital leases. The economic substance of the lease is that the Organization is financing the acquisition of the assets through the lease, and accordingly, it is recorded in the Organization's assets and liabilities.

The following is an analysis of the leased assets included in property and equipment:

As of June 30,	**2021**	2020
Furniture, fixtures and equipment	**$ 69,734**	$ 86,616
Motor vehicles	**956,569**	756,383
	1,026,303	842,999
Less: accumulated depreciation	**(375,384)**	(204,239)
	$ 650,919	$ 638,760

Future minimum lease payments subsequent to June 30, 2021 are as follows:

Year ending June 30,	
2022	$ 301,411
2023	296,580
2024	105,752
2025	64,485
Total minimum lease payments	768,228
Less amounts representing interest	(94,500)
Present value of minimum lease payments	$ 673,728

NOTE 10: ACCRUED EXPENSES

Accrued expenses at June 30, 2021 and 2020 consist of:

	2021	2020
Workers compensation self-funded reserve	**$ 2,925,233**	$ 2,402,629
Vehicle and other self-funded reserves	**1,373,400**	909,260
Medical self-funded reserve	**500,000**	500,000
Accrued payroll	**1,216,960**	782,954
Accrued vacation	**419,071**	941,112
Accrued severance and unemployment	**8,108**	31,317
Accrued boat program payments	**723,512**	1,382,868
Other accruals	**837,980**	1,063,197
	$ 8,004,264	$ 8,013,337

NOTE 11: RESTRICTIONS AND LIMITATIONS ON NET ASSETS

Net assets with donor restrictions consist of the following at June 30, 2021 and 2020:

	2021	2020
Education / Scholarship	**$ 2,205,898**	$ 1,184,845
Experiential Activities	**406,797**	321,282
Building / Equipment	**216,810**	409,741
Girls Initiative Program	**371,534**	428,086
Other	**1,142,346**	607,123
Endowment	**847,162**	496,238
	$ 5,190,547	$ 3,447,315

The income from the endowment funds is restricted to assist former students of AMIkids' programs with educational or employment-related expense.

NOTE 11: RESTRICTIONS AND LIMITATIONS ON NET ASSETS (Continued)

Net assets were released from donor restrictions by occurrence of events specified by donors as follows for the years ended June 30, 2021 and 2020.

	2021	2020
Education / Scholarship	**$ 761,206**	$ 387,677
Experiential Activities	**7,753**	144,118
Building / Equipment	**175,362**	83,089
The Girls Initiative	**56,550**	-
Other	**270,535**	949,765
	$ 1,271,406	$ 1,564,649

NOTE 12: ENDOWMENTS

The Organization's endowment consists of three individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors of the Organization has interpreted the State of Florida's Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

NOTE 12: ENDOWMENTS (Continued)

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

Spending Policy. The Organization has a policy of appropriating for distribution each year 4% of its endowment fund's average fair value of the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at an average rate of 3% annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund follows:

June 30,		**2021**		2020
Endowment funds with donor restrictions	**$**	**847,162**	$	496,238
Total endowment funds	**$**	**847,162**	$	496,238

NOTE 12: ENDOWMENTS (Continued)

Changes in endowment net assets follow:

June 30,	Without Donor Restrictions	With Donor Restrictions	2021	2020
Endowment net assets - July 1,	**$ -**	**$ 496,238**	**$ 496,238**	$ 160,986
Contributions	**-**	**34,535**	**34,535**	400,000
Investment income	**-**	**130,099**	**130,099**	(19,748)
Transfer of assets with donor restrictions to endowment	**-**	**13,770**	**13,770**	-
Net asset transfer	**-**	**172,520**	**172,520**	(45,000)
Endowment net assets - June 30,	**$ -**	**$ 847,162**	**$ 847,162**	$ 496,238

NOTE 13: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

AMIkids, Inc. financial assets available within one year of the statement of financial position date for general expenditures are as follows:

As of June 30,	**2021**
Cash and cash equivalents	**$ 22,615,185**
Investments	**6,166,110**
Accounts receivable	**4,939,492**
Boat lease payments	**21,614,992**
Beneficial Interest in Assets Held By Others	**1,275,948**
Total	**56,611,727**
Less: Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors	**(5,190,547)**
Boat lease payments	**(16,942,682)**
Deferred revenue	**(383,422)**
Collateral for insurance reserves	**(4,811,422)**
Financial assets available within one year to meet cash needs for general expenditures within one year	**$ 29,283,654**

AMIkids, Inc. prepares an annual budget that is approved by the Board of Trustees for the upcoming year. The annual budget includes projected revenue based on current grants, contracts and contributions. Internally prepared financial statements comparing budget to actual results are reviewed by management on a monthly basis and cash flow is monitored daily.

NOTE 13: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

Generally AMIkids, Inc. will have advance notice of grants and contracts terminating and will manage the reductions in cash flow by reducing expenditures and where necessary, by reducing staffing levels.

As part of AMIkids, Inc.'s liquidity management, financial assets are structured to be available as general expenditures, liabilities and other obligations come due. In addition, AMIkids, Inc. invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, AMIkids, Inc. has committed lines of credit in the amount of $11,000,000, which it could draw upon.

NOTE 14: CASUALTY GAIN

The Organization recorded a casualty gain resulting from Hurricane Michael. The Organization filed an insurance claim and recorded approximately $284,000 and $450,000 in insurance proceeds for the years ended June 30, 2021 and 2020, respectively, which is recorded in Revenue, Other in the combined statement of activities; no remediation costs for the years ended June 30, 2021 and 2020 were incurred.

NOTE 15: CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash with a financial institution in excess of the FDIC limit of $250,000 by approximately $7,025,000 and $1,061,000 at June 30, 2021 and 2020, respectively.

NOTE 16: COMMITMENTS AND CONTINGENCIES

A substantial portion of AMIkids' public support is derived from programs supported by various funding agencies. Under the terms of the agreements with the funding agencies, AMIkids' financial records are subject to audit by the appropriate governmental authorities. Depending on the results of these audits, if any, funds may be required to be refunded to the appropriate agency.

AMIkids is subject to various claims and legal proceedings which arise in the ordinary course of business. AMIkids does not believe that these matters will have a material adverse effect on its financial position or results of operations.

NOTE 16: COMMITMENTS AND CONTINGENCIES (Continued)

AMIkids leases facilities under operating leases expiring in various years. Rent expense on these operating leases charged to operations for the years ended June 30, 2021 and 2020 was approximately $481,000 and $580,000, respectively. Based on the current operating leases, the annual lease expense is expected to increase in 2022 due to the full year of operations of AMIkids New Mexico as well as the expansion of the Sandoval program and is expected to remain consistent over the following four years. Typically there are no operating leases with terms greater than five years.

AMIkids receives donations of boats that are recorded at fair value less estimated selling expenses at the time of the donation. Management has estimated the net realizable value of the boat inventory at $2,396,566 and $9,196,614 at June 30, 2021 and 2020, respectively. Net realizable value is estimated based on third party appraisals, broker valuations, management's experience with the boat charter industry and estimated selling expenses are based on management's historical experiences with brokers. The actual net realizable value of the boats is not known until the boat is sold or leased.

AMIkids has purchased high-deductible policies for workers compensation and for vehicle and other property and casualty insurance and is responsible for all claims below the deductible level. Management has accrued approximately $4,299,000 and $3,312,000 at June 30, 2021 and 2020, respectively as an estimate of losses on unpaid claims under these insurance policies. These accruals are estimated based on current and historical claims experience. It is reasonably possible that these estimates will change and, if changed, could have a material impact on the Organization's financial position and results of operations. Under AMIkids' workers compensation and vehicle policies, the Organization has $4,811,422 held in a secured collateralized account to support these policies.

AMIkids is self-funded for group health insurance up to a maximum of $175,000 per employee. Management has accrued $500,000 at June 30, 2021 and 2020, for estimated claims, including known claims and claims which are estimated to have occurred but which have not yet been reported. This estimate is based on current and historical claims experience and other information obtained from AMIkids' insurance provider. It is reasonably possible that these estimates will change and, if changed, could have a material impact on the Organization's financial position and results of operations. Adjustments to the estimated claims accrual are made when the need for such adjustments becomes apparent.

NOTE 17: RETIREMENT PLANS

AMIkids maintains a noncontributory defined contribution pension plan covering all full-time employees who have completed two years of service and have attained the age of 20 ½ years. Contributions to the Plan are based on a percentage of each employee's total compensation for the year. The pension expense for the years ended June 30, 2021 and 2020 was approximately $1,644,000 and $1,657,000, respectively, and is included in employee benefits and payroll taxes on the combined statement of functional expenses.

AMIkids has a deferred compensation plan in place for certain key members of management, which is accrued for and included in accrued pension in the combined statement of financial position. The deferred compensation plan is generally funded on an annual basis and the related assets are included as a component of investments. The cost related to the deferred compensation plan for the years ended June 30, 2021 and 2020 was approximately $223,900 and $139,900, respectively.

NOTE 18: RELATED PARTY TRANSACTIONS

There were no related party transactions significant to the combined financial statements. AMIkids has rigorous controls concerning related party transactions to ensure that all transactions are in the best interest of the mission. Details of related party transactions can be found in Form 990s which AMIkids files annually with the Internal Revenue Service.

NOTE 19: INSTITUTE OPENINGS AND PROGRAMMATIC MODEL CHANGES

During the year, AMIkids opened AMIkids Gateways, Inc. and AMIkids New Mexico, Inc. AMIkids Gateways is an intensive residential facility serving young men ages 12 to 21 years old. AMIkids New Mexico has partnered with Bernalillo County to expand Behavioral Health Continuum by providing FFT to youth in Bernalillo County. In addition, the AMIkids Sandoval program has expanded to include a 12-bed RTC in Farmington, NM to provide psychotherapeutic residential rehabilitative care in a group living setting for youth with severe behavioral, psychological, or emotional problems. During 2021, AMIkids Sandoval also opened Albuquerque Transitional Living to provide transitional and independent living opportunities and supportive services for eligible youth in foster care and eligible adults transitioning to adulthood.

AMIkids Tallahassee re-opened in 2021 under a Florida Department of Juvenile Justice contract shared with AMIkids Gadsden to provide prevention and intervention services to 32 youths.

SUPPLEMENTARY INFORMATION

AMIkids, Inc. and Affiliates
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	AMIkids	AMIkids Foundation	AMIkids Acadiana	AMIkids Alabama	AMIkids Baton Rouge	AMIkids Beaufort	AMIkids Behavior Health	AMIkids Bennettsville	AMIkids Caddo	AMIkids Clay County
Assets										
Cash and cash equivalents	$ 5,058,939	$ 8,668,092	$ 278,304	$ 72,368	$ 201,648	$ 258,313	$ 30,034.00	$ 104,552	$ 112,594	$ 343,440
Investments	3,706,065	1,937,010	-	-	52,197	-	-	-	-	-
Accounts receivable:										
Funding agencies	2,390,637	-	-	-	29,445	21,801	-	2,518	23,492	17,971
Other	214,953	-	1,103	-	125	294	52	-	452	600
Contributions receivable	2,500	2,500	-	-	-	-	-	-	-	600
Prepaid expenses and other assets	1,439,458	-	12,288	1,819	10,295	12,365	3,468	5,668	4,830	2,329
Due from affiliates	22,544,693	40,000	128,380	6,379	54,368	131,919	85,746	115,104	-	65,578
Assets held for sale	-	-	-	-	-	-	-	-	-	-
Boat inventory	2,379,453	-	-	-	-	6,858	-	-	-	-
Boats under lease	27,206,537	-	-	-	-	-	-	-	-	-
Beneficial interest in assets held by others	-	496,534	-	-	-	-	-	-	-	-
Property and equipment, net	2,807,744	-	16,404	337	320,705	636,346	2,952	46,302	19,777	103,999
Total assets	$ 67,750,979	$ 11,144,136	$ 436,479	$ 80,903	$ 668,783	$ 1,067,896	$ 122,252	$ 274,144	$ 161,145	$ 534,517
Liabilities and Net Assets										
Liabilities:										
Lines of credit	$ 4,750,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	340,335	-	19,658	665	2,905	1,978	5,500	4,121	-	1,082
Accrued expenses	11,147,747	2,828	33,759	4,875	20,188	52,180	28,175	41,940	23,054	48,728
Accrued pension	2,338,417	-	-	-	433	1,187	478	954	-	-
Due to Affiliates	3,127,534	5,474,601	1,624,498	4,045	430,769	37,496	14,506	1,153,860	371,551	458,358
Deferred revenues	5,218,962	659,126	316,518	24,647	-	-	-	-	-	25,028
Security deposits	6,189,375	-	-	-	-	-	-	-	-	-
Obligations under capital lease	-	-	-	-	1,313	353	-	-	20,512	95,954
Notes payable	2,454,614	-	9,453	-	-	-	-	-	-	-
Total liabilities	35,566,984	6,136,555	2,003,886	34,232	455,608	93,194	48,659	1,200,875	415,117	629,150
Net assets:										
Without donor restrictions										
Undesignated	31,956,025	1,128,286	(1,590,916)	46,671	122,246	941,864	67,257	(926,931)	(257,981)	(98,233)
With donor restrictions	227,970	3,879,295	23,509	-	90,929	32,838	6,336	200	4,009	3,600
Total net assets	32,183,995	5,007,581	(1,567,407)	46,671	213,175	974,702	73,593	(926,731)	(253,972)	(94,633)
Total liabilities and net assets	$ 67,750,979	$ 11,144,136	$ 436,479	$ 80,903	$ 668,783	$ 1,067,896	$ 122,252	$ 274,144	$ 161,145	$ 534,517

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	AMIkids Duval	AMIkids Emerald Coast	AMIkids Family Services	AMIkids Gadsden Center for Academic Discipline	AMIkids Gainesville	AMIkids Gateways	AMIkids Georgetown	AMIkids Georgia	AMIkids Georgia Properties	AMIkids Greater Ft. Lauderdale
Assets										
Cash and cash equivalents	$ 15,920	$ 37,962	$ 33,170	$ 251,423	$ 46,555	$ 94,873	$ 7,838	$ -	$ -	$ 239,645
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable:										
Funding agencies	138,730	-	-	-	17,149	-	10,700	-	-	40,138
Other	344	8,111	-	-	857	1,500	3,885	-	-	1,270
Contributions receivable	-	-	-	-	-	-	-	-	-	12,818
Prepaid expenses and other assets	1,309	872	1,393	5,899	14,016	3,545	3,118	-	-	7,667
Due from affiliates	-	-	39,420	50,767	89,076	93,536	196,186	17,189	-	89,758
Assets held for sale	-	-	-	-	63,626	-	-	-	-	-
Boat inventory	-	-	-	-	-	-	-	-	-	1,845
Boats under lease	-	-	-	-	-	-	-	-	-	-
Beneficial interest in assets held by others	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	-	361	-	17,328	54,238	66,309	283,863	-	1,991,691	121,700
Total assets	$ 156,303	$ 47,306	$ 73,983	$ 325,417	$ 285,517	$ 259,763	$ 505,590	$ 17,189	$ 1,991,691	$ 514,841
Liabilities and Net Assets										
Liabilities:										
Lines of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	-	-	557	208	2,754	-	14,007	-	-	8,919
Accrued expenses	9,020	6,044	13,582	13,216	22,005	24,740	26,840	-	928	47,688
Accrued pension	-	-	-	-	-	948	-	-	-	-
Due to Affiliates	220,825	702,941	11,449	13,039	1,272,750	87,375	45,822	-	301,140	561,473
Deferred revenues	-	-	27,282	56,816	175,402	-	-	-	-	51,716
Security deposits	-	-	-	-	-	-	-	-	-	-
Obligations under capital lease	-	-	-	18,039	54,991	44,495	-	-	-	55,921
Notes payable	-	-	-	-	-	-	-	-	-	-
Total liabilities	229,845	708,985	52,870	101,318	1,527,902	157,558	86,669	-	302,068	725,717
Net assets:										
Without donor restrictions										
Undesignated	(73,542)	(694,855)	21,113	224,099	(1,249,864)	102,205	406,904	17,189	1,689,623	(378,231)
With donor restrictions	-	33,176	-	-	7,479	-	12,017	-	-	167,355
Total net assets	(73,542)	(661,679)	21,113	224,099	(1,242,385)	102,205	418,921	17,189	1,689,623	(210,876)
Total liabilities and net assets	$ 156,303	$ 47,306	$ 73,983	$ 325,417	$ 285,517	$ 259,763	$ 505,590	$ 17,189	$ 1,991,691	$ 514,841

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position (Continued)
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	AMIkids Infinity Marlboro	AMIkids Infinity Wake County	AMIkids Jacksonville	AMIkids Louisiana Properties	AMIkids Manatee	AMIkids Miami-Dade	AMIkids New Mexico	AMIkids New Mexico Properties	AMIkids North Carolina Family Services	AMIkids North Carolina Properties
Assets										
Cash and cash equivalents	$ 105,193	$ 59,926	$ 155,727	$ -	$ 606,917	$ 190,291	$ 27,216	$ -	$ 483,163	$ -
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable:										
Funding agencies	37,500	106,965	-	-	19,777	77,514	-	-	-	-
Other	-	-	100	-	4	24,207	-	-	-	-
Contributions receivable	-	-	74,710	-	2,750	-	-	-	-	-
Prepaid expenses and other assets	2,079	8,727	12,186	-	5,383	12,211	3,486	-	22,162	-
Due from affiliates	6,777	-	103,074	775,042	56,244	688,613	18,232	807,629	1,915,021	-
Assets held for sale	-	-	-	-	-	-	-	-	-	-
Boat inventory	-	-	-	-	-	-	-	-	-	-
Boats under lease	-	-	-	-	-	-	-	-	-	-
Beneficial interest in assets held by others	-	-	-	-	103,115	-	-	-	-	-
Property and equipment, net	-	-	639,069	865,840	35,534	48,526	-	-	5,371	312,000
Total assets	$ 151,549	$ 175,618	$ 984,866	$ 1,640,882	$ 829,724	$ 1,041,362	$ 48,934	$ 807,629	$ 2,425,717	$ 312,000
Liabilities and Net Assets										
Liabilities:										
Lines of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	358	156	2,413	-	176	9,294	499	-	2,704	-
Accrued expenses	11,372	9,656	28,297	928	21,028	54,993	7,642	928	65,216	928
Accrued pension	169	-	-	-	662	-	-	-	2,035	-
Due to Affiliates	13,518	81,960	408,166	-	18,139	70,157	46,939	-	52,234	310,674
Deferred revenues	-	-	141	-	26,839	73,025	-	-	-	2,826
Security deposits	-	-	-	-	-	-	-	-	-	-
Obligations under capital lease	-	-	52,488	-	-	25,997	-	-	-	-
Notes payable	-	-	407,820	-	-	-	-	-	-	-
Total liabilities	25,417	91,772	899,325	928	66,844	233,466	55,080	928	122,189	314,428
Net assets:										
Without donor restrictions										
Undesignated	121,655	79,844	(141,347)	1,639,954	757,180	568,111	(6,146)	806,701	2,303,528	(2,428)
With donor restrictions	4,477	4,002	226,888	-	5,700	239,785	-	-	-	-
Total net assets	126,132	83,846	85,541	1,639,954	762,880	807,896	(6,146)	806,701	2,303,528	(2,428)
Total liabilities and net assets	$ 151,549	$ 175,618	$ 984,866	$ 1,640,882	$ 829,724	$ 1,041,362	$ 48,934	$ 807,629	$ 2,425,717	$ 312,000

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AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position (Continued)
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	AMIkids Orlando	AMIkids Panama City Marine Institute	AMIkids Pasco	AMIkids Pensacola	AMIkids Piedmont	AMIkids Pinellas	AMIkids Rio Grande Valley	AMIkids Sand Hills	AMIkids Sandoval	AMIkids Sarasota County
Assets										
Cash and cash equivalents	$ 243,289	$ 643,492	$ -	$ 408,174	$ 293,390	$ 1,116,061	$ 101,400	$ 47,307	$ 277,649	$ -
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable:										
Funding agencies	19,864	-	-	97,981	6,090	-	12,066	3,114	-	-
Other	675	144,006	-	642	4,015	-	2,456	2,341	270,570	-
Contributions receivable	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	6,594	48,156	-	10,406	7,496	19,504	12,272	5,399	172,620	-
Due from affiliates	101,511	277,323	29,145	176,238	181,316	22,658	73,036	110,996	101,302	73,818
Assets held for sale	-	-	-	-	-	-	-	-	-	-
Boat inventory	-	8,010	-	-	-	400	-	-	-	-
Boats under lease	-	-	-	-	-	-	-	-	-	-
Beneficial interest in assets held by others	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	80,992	2,710,056	-	327,844	96,708	1,491	26,111	51,772	283,067	-
Total assets	$ 452,925	$ 3,831,043	$ 29,145	$ 1,021,285	$ 589,015	$ 1,160,114	$ 227,341	$ 220,929	$ 1,105,208	$ 73,818
Liabilities and Net Assets										
Liabilities:										
Lines of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	7,204	1,816	-	12,103	1,632	182	976	3,858	9,942	-
Accrued expenses	29,984	39,917	-	80,098	51,299	15,381	20,082	30,103	82,706	-
Accrued pension	-	988	-	1,547	1,003	259	-	-	-	-
Due to Affiliates	347,729	15,070	-	167,360	33,339	13,990	3,238,571	907,986	5,380,153	-
Deferred revenues	127,188	-	-	43,425	-	-	101,600	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-	-
Obligations under capital lease	16,090	-	-	39,623	39,326	-	19,418	20,431	116,866	-
Notes payable	-	-	-	-	-	-	-	-	-	-
Total liabilities	528,195	57,791	-	344,156	126,599	29,812	3,380,647	962,378	5,589,667	-
Net assets:										
Without donor restrictions										
Undesignated	(170,358)	3,677,048	-	627,498	454,789	1,127,750	(3,265,778)	(741,449)	(4,487,392)	73,818
With donor restrictions	95,088	96,204	29,145	49,631	7,627	2,552	112,472	-	2,933	-
Total net assets	(75,270)	3,773,252	29,145	677,129	462,416	1,130,302	(3,153,306)	(741,449)	(4,484,459)	73,818
Total liabilities and net assets	$ 452,925	$ 3,831,043	$ 29,145	$ 1,021,285	$ 589,015	$ 1,160,114	$ 227,341	$ 220,929	$ 1,105,208	$ 73,818

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AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position (Continued)
June 30, 2021

	AMIkids Savannah River	AMIkids South Carolina Statewide	AMIkids Southwest Florida	AMIkids Space Coast	AMIkids St. Louis	AMIkids Tallahassee	AMIkids Tampa	AMIkids Virginia	AMIkids Virginia Wilderness	AMIkids Volusia
Assets										
Cash and cash equivalents	$ 31,282	$ -	$ 26,887	$ 92,276	$ -	$ 144,805	$ 275,096	$ 249,575	$ -	$ 92,027
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable:										
Funding agencies	116,819	-	-	110,615	-	-	29,969	778,367	-	-
Other	780	-	-	3,593	-	-	146	-	-	1,321
Contributions receivable	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	3,892	-	3,776	12,556	-	3,634	5,557	4,644	580	15,851
Due from affiliates	-	1,064	34,429	167,088	-	35,992	110,675	226,248	-	84,845
Assets held for sale	-	-	-	-	-	-	-	-	120,000	-
Boat inventory	-	-	-	-	-	-	-	-	-	-
Boats under lease	-	-	-	-	-	-	-	-	-	-
Beneficial interest in assets held by others	-	-	676,299	-	-	-	-	-	-	-
Property and equipment, net	16,136	-	49,577	368,660	-	106,239	180,004	-	-	34,179
Total assets	$ 168,909	$ 1,064	$ 790,968	$ 754,788	$ -	$ 290,670	$ 601,447	$ 1,258,834	$ 120,580	$ 228,223
Liabilities and Net Assets										
Liabilities:										
Lines of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	4,709	-	85	34,001	-	592	3,673	778,367	-	2,488
Accrued expenses	29,420	-	10,054	42,879	-	4,406	24,101	24,571	100	21,671
Accrued pension	-	-	208	362	-	-	-	336	-	-
Due to Affiliates	1,795,945	-	161,960	50,862	-	322,687	121,807	13,105	247,231	536,506
Deferred revenues	-	-	4,610	-	-	121,327	72,377	-	-	99,380
Security deposits	-	-	-	-	-	-	-	-	-	-
Obligations under capital lease	-	-	759	-	-	-	5,013	-	-	35,615
Notes payable	-	-	-	-	-	-	10,117	-	-	-
Total liabilities	1,830,074	-	177,676	128,104	-	449,012	237,088	816,379	247,331	695,660
Net assets:										
Without donor restrictions										
Undesignated	(1,664,265)	(1)	533,919	569,596	(21,829)	(160,392)	327,940	442,455	(126,751)	(470,668)
With donor restrictions	3,100	1,065	79,373	57,088	21,829	2,050	36,419	-	-	3,231
Total net assets	(1,661,165)	1,064	613,292	626,684	-	(158,342)	364,359	442,455	(126,751)	(467,437)
Total liabilities and net assets	$ 168,909	$ 1,064	$ 790,968	$ 754,788	$ -	$ 290,670	$ 601,447	$ 1,258,834	$ 120,580	$ 228,223

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AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position (Continued)
June 30, 2021

	AMIkids White Pines	AMIkids Wings Texas	AMIkids YES	South Carolina Wilderness Institute	Total Before Eliminations	Eliminations	Total
Assets							
Cash and cash equivalents	$ 418,549	$ -	$ 669,823	$ -	$ 22,615,185	$ -	$ 22,615,185
Investments	-	-	470,838	-	6,166,110	-	6,166,110
Accounts receivable:							
Funding agencies	9,375	-	14,441	-	4,133,038	-	4,133,038
Other	2,531	-	3,081	-	694,014	112,440	806,454
Contributions receivable	-	-	-	-	95,878	-	95,878
Prepaid expenses and other assets	8,636	-	11,871	-	1,950,017	-	1,950,017
Due from affiliates	242,667	-	180,408	-	30,349,490	(30,349,490)	-
Assets held for sale	-	-	-	-	183,626	-	183,626
Boat inventory	-	-	-	-	2,396,566	-	2,396,566
Boats under lease	-	-	-	-	27,206,537	-	27,206,537
Beneficial interest in assets held by others	-	-	-	-	1,275,948	-	1,275,948
Property and equipment, net	36,885	-	46,452	103,000	12,915,569	-	12,915,569
Total assets	$ 718,643	$ -	$ 1,396,914	$ 103,000	$ 109,981,978	$ (30,237,050)	$ 79,744,928
Liabilities and Net Assets							
Liabilities:							
Lines of credit	$ -	$ -	$ -	$ -	$ 4,750,000	$ -	$ 4,750,000
Accounts payable	6,040	-	8,505	-	1,294,462	(2,059)	1,292,403
Accrued expenses	95,075	-	79,865	928	12,451,165	(4,446,901)	8,004,264
Accrued pension	2,099	-	1,793	-	2,353,878	-	2,353,878
Due to Affiliates	22,430	-	46,520	8,163	30,347,233	(30,347,233)	-
Deferred revenues	1,180	-	484,862	-	7,714,277	140,440	7,854,717
Security deposits	-	-	-	-	6,189,375	-	6,189,375
Obligations under capital lease	-	-	10,524	-	673,728	-	673,728
Notes payable	-	-	-	-	2,882,004	-	2,882,004
Total liabilities	126,824	-	632,069	9,091	68,656,122	(34,655,753)	34,000,369
Net assets:							
Without donor restrictions							
Undesignated	589,212	-	716,845	93,909	35,705,877	4,848,135	40,554,012
With donor restrictions	2,607	-	48,000	-	5,619,979	(429,432)	5,190,547
Total net assets	591,819	-	764,845	93,909	41,325,856	4,418,703	45,744,559
Total liabilities and net assets	$ 718,643	$ -	$ 1,396,914	$ 103,000	$ 109,981,978	$ (30,237,050)	$ 79,744,928

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities
Year ended June 30, 2021

	AMIkids	AMIkids Foundation	AMIkids Acadiana	AMIkids Alabama	AMIkids Baton Rouge	AMIkids Beaufort	AMIkids Behavior Health	AMIkids Bennettsville	AMIkids Caddo	AMIkids Clay County
Public Support and revenue:										
State support:										
Florida	$ 1,853,886	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 708,872
South Carolina	1,684,656	-	-	-	-	1,313,121	-	1,375,712	-	-
Virginia	105,438	-	-	-	-	-	-	-	-	-
North Carolina	287,758	-	-	-	-	-	-	-	-	-
Louisiana	255,717	-	1,420,470	-	454,789	-	-	-	-	-
Georgia	-	-	-	-	-	-	-	-	-	-
New Mexico	23,128	-	-	-	-	-	-	-	-	-
Alabama	13,722	-	-	123,494	-	-	-	-	-	-
Texas	10,259	-	-	-	-	-	-	-	-	-
Missouri	-	-	-	-	-	-	-	-	-	-
Federal support	687,123	-	383,816	44,712	417,868	480,633	288	39,683	51,470	35,000
Regional Revenue	18,659	-	135,158	-	-	-	852,729	-	1,575,059	310,604
Contributions	718,583	3,170,881	26,512	87	65,524	258,966	1,975	83,563	26,403	29,276
Total Public Support	5,658,929	3,170,881	1,965,956	168,293	938,181	2,052,720	854,992	1,498,958	1,652,932	1,083,752
Revenue										
Boat Program	21,304,523	-	-	-	-	-	-	-	-	-
Investment income (loss)	700,446	336,916	4	-	666	222	1	-	-	-
Other	1,824,036	-	-	-	10,000	-	183,516	156	65	723
Total revenue	23,829,005	336,916	4	-	10,666	222	183,517	156	65	723
Total public support and revenue	29,487,934	3,507,797	1,965,960	168,293	948,847	2,052,942	1,038,509	1,499,114	1,652,997	1,084,475
Expenses:										
Program Services	4,302,444	1,204,647	2,201,280	189,600	839,508	1,757,643	992,628	1,398,646	1,647,198	934,145
Boat Program	15,861,818	-	-	-	-	-	-	-	-	-
Management and general	4,513,193	9,313	36,936	6,267	24,167	39,190	10,756	34,387	113,354	21,654
Fundraising	318,416	-	-	-	-	-	-	-	-	17
Total expense	24,995,871	1,213,960	2,238,216	195,867	863,675	1,796,833	1,003,384	1,433,033	1,760,552	955,816
Change in Net assets	4,492,063	2,293,837	(272,256)	(27,574)	85,172	256,109	35,125	66,081	(107,555)	128,659
Net assets (deficit), beginning of the year	27,691,932	2,713,744	(1,295,151)	74,245	128,003	718,593	38,468	(992,812)	(146,417)	(223,292)
Net assets (deficit), end of the year	$ 32,183,995	$ 5,007,581	$ (1,567,407)	$ 46,671	$ 213,175	$ 974,702	$ 73,593	$ (926,731)	$ (253,972)	$ (94,633)

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2021

	AMIkids Duval	AMIkids Emerald Coast	AMIkids Family Services	AMIkids Gadsden Center for Academic Discipline	AMIkids Gainesville	AMIkids Gateways	AMIkids Georgetown	AMIkids Georgia	AMIkids Georgia Properties	AMIkids Greater Ft. Lauderdale
Public Support and revenue:										
State support:										
Florida	$ -	$ -	$ 270,000	$ 528,281	$ 784,397	$ -	$ -	$ -	$ -	$ 815,900
South Carolina	-	-	-	-	-	305,785	1,278,864	-	-	-
Virginia	-	-	-	-	-	-	-	-	-	-
North Carolina	-	-	-	-	-	-	-	-	-	-
Louisiana	-	-	-	-	-	-	-	-	-	-
Georgia	-	-	-	-	-	-	-	-	-	-
New Mexico	-	-	-	-	-	-	-	-	-	-
Alabama	-	-	-	-	-	-	-	-	-	-
Texas	-	-	-	-	-	-	-	-	-	-
Missouri	-	-	-	-	-	-	-	-	-	-
Federal support	-	-	-	-	13,284	-	65,354	-	-	15,923
Regional Revenue	554,919	87,993	-	3,360	121,603	-	-	-	-	285,201
Contributions	8,155	132,337	39,141	252	28,698	20	29,051	-	-	109,551
Total Public Support	563,074	220,330	309,141	531,893	947,982	305,805	1,373,269	-	-	1,226,575
Revenue										
Boat Program	-	-	-	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	83	-	(19)	-	-	36
Other	835	-	-	-	-	-	2,152	-	-	5,750
Total revenue	835	-	-	-	83	-	2,133	-	-	5,786
Total public support and revenue	563,909	220,330	309,141	531,893	948,065	305,805	1,375,402	-	-	1,232,361
Expenses:										
Program Services	563,538	256,330	306,968	514,843	960,562	183,802	1,418,346	-	93,841	1,140,935
Boat Program	-	-	-	-	-	-	-	-	-	-
Management and general	45,949	3,498	10,624	13,041	23,575	19,798	30,522	-	1,592	23,709
Fundraising	-	-	-	-	-	-	-	-	-	-
Total expense	609,487	259,828	317,592	527,884	984,137	203,600	1,448,868	-	95,433	1,164,644
Change in Net assets	(45,578)	(39,498)	(8,451)	4,009	(36,072)	102,205	(73,466)	-	(95,433)	67,717
Net assets (deficit), beginning of the year	(27,964)	(622,181)	29,564	220,090	(1,206,313)	-	492,387	17,189	1,785,056	(278,593)
Net assets (deficit), end of the year	$ (73,542)	$ (661,679)	$ 21,113	$ 224,099	$ (1,242,385)	$ 102,205	$ 418,921	$ 17,189	$ 1,689,623	$ (210,876)

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2021

	AMIkids Infinity Marlboro	AMIkids Infinity Wake County	AMIkids Jacksonville	AMIkids Louisiana Properties	AMIkids Manatee	AMIkids Miami-Dade	AMIkids New Mexico	AMIkids New Mexico Properties	AMIkids North Carolina Family Services	AMIkids North Carolina Properties
Public Support and revenue:										
State support:										
Florida	$ -	$ -	$ 854,414	$ -	$ 556,558	$ 1,719,225	$ -	$ -	$ -	$ -
South Carolina	-	-	-	-	-	-	-	-	-	-
Virginia	-	-	-	-	-	-	-	-	-	-
North Carolina	-	-	-	-	-	-	-	-	2,589,820	-
Louisiana	-	-	-	-	-	-	-	-	-	-
Georgia	-	-	-	-	-	-	-	-	-	-
New Mexico	-	-	-	-	-	-	-	-	-	-
Alabama	-	-	-	-	-	-	-	-	-	-
Texas	-	-	-	-	-	-	-	-	-	-
Missouri	-	-	-	-	-	-	-	-	-	-
Federal support	-	-	14,941	-	25,287	169,218	-	-	-	-
Regional Revenue	450,000	427,860	164,300	-	368,337	261,619	124,611	-	-	-
Contributions	1,199	2,332	133,438	-	46,535	255,920	-	-	2,144	-
Total Public Support	451,199	430,192	1,167,093	-	996,717	2,405,982	124,611	-	2,591,964	-
Revenue										
Boat Program	-	-	-	-	-	-	-	-	-	-
Investment income (loss)	2	-	19	12,073	22,943	(85)	-	19,738	(341)	-
Other	-	-	429	140,000	-	541	-	-	5,230	14,129
Total revenue	2	-	448	152,073	22,943	456	-	19,738	4,889	14,129
Total public support and revenue	451,201	430,192	1,167,541	152,073	1,019,660	2,406,438	124,611	19,738	2,596,853	14,129
Expenses:										
Program Services	408,392	410,461	1,227,616	94,914	846,475	2,365,233	124,628	-	2,009,106	14,292
Boat Program	-	-	-	-	-	-	-	-	-	-
Management and general	30,345	28,164	31,114	1,239	33,142	48,185	6,129	1,228	19,651	2,265
Fundraising	-	-	-	-	-	-	-	-	-	-
Total expense	438,737	438,625	1,258,730	96,153	879,617	2,413,418	130,757	1,228	2,028,757	16,557
Change in Net assets	12,464	(8,433)	(91,189)	55,920	140,043	(6,980)	(6,146)	18,510	568,096	(2,428)
Net assets (deficit), beginning of the year	113,668	92,279	176,730	1,584,034	622,837	814,876	-	788,191	1,735,432	-
Net assets (deficit), end of the year	$ 126,132	$ 83,846	$ 85,541	$ 1,639,954	$ 762,880	$ 807,896	$ (6,146)	$ 806,701	$ 2,303,528	$ (2,428)

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2021

	AMIkids Orlando	AMIkids Panama City Marine Institute	AMIkids Pasco	AMIkids Pensacola	AMIkids Piedmont	AMIkids Pinellas	AMIkids Rio Grande Valley	AMIkids Sand Hills	AMIkids Sandoval	AMIkids Sarasota County
Public Support and revenue:										
State support:										
Florida	$ 851,701	$ -	$ -	$ 1,744,388	$ -	$ -	$ -	$ -	$ -	$ -
South Carolina	-	-	-	-	1,363,794	-	-	1,330,688	-	-
Virginia	-	-	-	-	-	-	-	-	-	-
North Carolina	-	-	-	-	-	-	-	-	-	-
Louisiana	-	-	-	-	-	-	-	-	-	-
Georgia	-	-	-	-	-	-	-	-	-	-
New Mexico	-	-	-	-	-	-	-	-	154,185	-
Alabama	-	-	-	-	-	-	-	-	-	-
Texas	-	-	-	-	-	-	58,132	-	-	-
Missouri	-	-	-	-	-	-	-	-	-	-
Federal support	2,218	837,686	-	664,007	22,787	282,115	149,105	46,205	1,898,222	-
Regional Revenue	267,985	144,006	-	123,575	-	-	275,115	-	4,295	-
Contributions	154,275	331,031	-	47,977	71,567	103,545	81,291	130,848	6,646	-
Total Public Support	1,276,179	1,312,723	-	2,579,947	1,458,148	385,660	563,643	1,507,741	2,063,348	-
Revenue										
Boat Program	-	-	-	-	-	-	-	-	-	-
Investment income (loss)	34	23	-	31	18	-	7	-	5,790	(18)
Other	400	1,087,222	-	51,471	19,103	347,925	57	4,116	-	-
Total revenue	434	1,087,245	-	51,502	19,121	347,925	64	4,116	5,790	(18)
Total public support and revenue	1,276,613	2,399,968	-	2,631,449	1,477,269	733,585	563,707	1,511,857	2,069,138	(18)
Expenses:										
Program Services	1,064,365	1,075,343	-	2,168,724	1,350,581	477,405	875,251	1,507,572	2,430,448	-
Boat Program	-	-	-	-	-	-	-	-	-	-
Management and general	42,900	43,581	-	47,767	42,983	22,475	38,669	47,345	182,335	70
Fundraising	-	-	-	-	-	-	-	-	-	-
Total expense	1,107,265	1,118,924	-	2,216,491	1,393,564	499,880	913,920	1,554,917	2,612,783	70
Change in Net assets	169,348	1,281,044	-	414,958	83,705	233,705	(350,213)	(43,060)	(543,645)	(88)
Net assets (deficit), beginning of the year	(244,618)	2,492,208	29,145	262,171	378,711	896,597	(2,803,093)	(698,389)	(3,940,814)	73,906
Net assets (deficit), end of the year	$ (75,270)	$ 3,773,252	$ 29,145	$ 677,129	$ 462,416	$ 1,130,302	$ (3,153,306)	$ (741,449)	$ (4,484,459)	$ 73,818

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2021

	AMIkids Savannah River	AMIkids South Carolina Statewide	AMIkids Southwest Florida	AMIkids Space Coast	AMIkids St. Louis	AMIkids Tallahassee	AMIkids Tampa	AMIkids Virginia	AMIkids Virginia Wilderness	AMIkids Volusia
Public Support and revenue:										
State support:										
Florida	$ -	$ -	$ -	$ 1,911,610	$ -	$ -	$ 680,531	$ -	$ -	$ 821,401
South Carolina	-	-	-	-	-	-	-	-	-	-
Virginia	-	-	-	-	-	-	-	6,170,828	-	-
North Carolina	-	-	-	-	-	-	-	-	-	-
Louisiana	-	-	-	-	-	-	-	-	-	-
Georgia	1,402,232	-	-	-	-	-	-	-	-	-
New Mexico	-	-	-	-	-	-	-	-	-	-
Alabama	-	-	-	-	-	-	-	-	-	-
Texas	-	-	-	-	-	-	-	-	-	-
Missouri	-	-	-	-	-	-	-	-	-	-
Federal support	183,157	-	199,040	485,224	-	733	233,264	-	-	4,716
Regional Revenue	-	-	-	283,967	-	22,003	317,393	-	-	163,752
Contributions	39,195	-	36,885	100,905	-	111,678	336,445	864	-	11,721
Total Public Support	1,624,584	-	235,925	2,781,706	-	134,414	1,567,633	6,171,692	-	1,001,590
Revenue										
Boat Program	-	-	-	-	-	-	-	-	-	-
Investment income (loss)	-	52	109,831	(58)	-	-	109	(42)	2	-
Other	3,000	-	12,500	111	16,844	-	26,747	-	-	4,257
Total revenue	3,000	52	122,331	53	16,844	-	26,856	(42)	2	4,257
Total public support and revenue	1,627,584	52	358,256	2,781,759	16,844	134,414	1,594,489	6,171,650	2	1,005,847
Expenses:										
Program Services	1,745,878	-	322,969	2,593,637	700	152,463	1,296,159	6,044,252	27,615	1,015,685
Boat Program	-	-	-	-	-	-	-	-	-	-
Management and general	123,740	1	15,433	48,452	(15)	9,624	39,252	36,952	377	25,368
Fundraising	-	-	-	-	-	-	-	-	-	-
Total expense	1,869,618	1	338,402	2,642,089	685	162,087	1,335,411	6,081,204	27,992	1,041,053
Change in Net assets	(242,034)	51	19,854	139,670	16,159	(27,673)	259,078	90,446	(27,990)	(35,206)
Net assets (deficit), beginning of the year	(1,419,131)	1,013	593,438	487,014	(16,159)	(130,669)	105,281	352,009	(98,761)	(432,231)
Net assets (deficit), end of the year	$ (1,661,165)	$ 1,064	$ 613,292	$ 626,684	$ -	$ (158,342)	$ 364,359	$ 442,455	$ (126,751)	$ (467,437)

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2021

	AMIkids White Pines	AMIkids Wings Texas	AMIkids YES	South Carolina Wilderness Institute	Total Before Eliminations	Eliminations	Total
Public Support and revenue:							
State support:							
Florida	$ -	$ -	$ 1,852,618	$ -	$ 15,953,782	$ -	$ 15,953,782
South Carolina	2,727,649	-	-	-	11,380,269	-	11,380,269
Virginia	-	-	-	-	6,276,266	-	6,276,266
North Carolina	-	-	-	-	2,877,578	-	2,877,578
Louisiana	-	-	-	-	2,130,976	-	2,130,976
Georgia	-	-	-	-	1,402,232	-	1,402,232
New Mexico	-	-	-	-	177,313	-	177,313
Alabama	-	-	-	-	137,216	-	137,216
Texas	-	-	-	-	68,391	-	68,391
Missouri	-	-	-	-	-	-	-
Federal support	47,133	-	474,686	-	7,974,898	-	7,974,898
Regional Revenue	-	-	291,562	-	7,635,665	(852,729)	6,782,936
Contributions	220,775	-	62,726	-	7,018,917	(1,392,435)	5,626,482
Total Public Support	2,995,557	-	2,681,592	-	63,033,503	(2,245,164)	60,788,339
Revenue							
Boat Program	-	-	-	-	21,304,523	-	21,304,523
Investment income (loss)	-	-	153,959	-	1,362,442	(615,716)	746,726
Other	4,867	-	-	-	3,766,182	(2,057,643)	1,708,539
Total revenue	4,867	-	153,959	-	26,433,147	(2,673,359)	23,759,788
Total public support and revenue	3,000,424	-	2,835,551	-	89,466,650	(4,918,523)	84,548,127
Expenses:							
Program Services	2,496,485	100	2,574,363	-	57,628,016	(4,563,716)	53,064,300
Boat Program	-	-	-	-	15,861,818	-	15,861,818
Management and general	57,434	-	66,697	925	6,075,352	(400,749)	5,674,603
Fundraising	-	-	-	-	318,433	-	318,433
Total expense	2,553,919	100	2,641,060	925	79,883,619	(4,964,465)	74,919,154
Change in Net assets	446,505	(100)	194,491	(925)	9,583,031	45,942	9,628,973
Net assets (deficit), beginning of the year	145,314	100	570,354	94,834	31,742,825	4,372,761	36,115,586
Net assets (deficit), end of the year	$ 591,819	$ -	$ 764,845	$ 93,909	$ 41,325,856	$ 4,418,703	$ 45,744,559

See Independent Auditors' Report.

INTERNAL CONTROL RECOMMENDATIONS

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

To the Board of Trustees
AMIKids, Inc.
Tampa, Florida

We have audited, 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, the financial statements of the AMIKids, Inc. and Affiliates ("the Organization"), which comprise the consolidated statement of financial position as of June 30, 2021, 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 20, 2021.

Internal Control over Financial Reporting

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

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

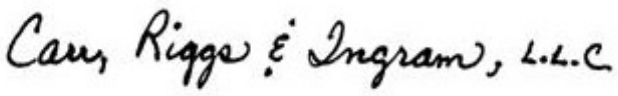
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



CARR, RIGGS, & INGRAM, LLC

Tampa, Florida
October 20, 2021

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Trustees
AMIKids, Inc.
Tampa, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the AMIkids, Inc. and Affiliates's ("the Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement* that could have direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2021. The Organization's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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); and Chapter 10.650, Rules of the Auditor General, *Florida Single Audit Act Audits – Nonprofit and For-Profit Organizations*. Those standards, Uniform Guidance and Chapter 10.650, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Opinion on Each Major State Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

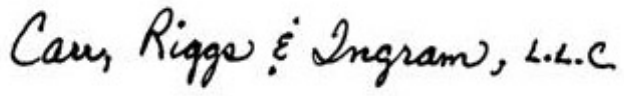
Report on Internal Control over Compliance

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 or state project 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identity certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

The Organization's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.



CARR, RIGGS & INGRAM, LLC

Tampa, Florida
October 20, 2021

AMIkids, Inc. and Affiliates
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	CFDA CSFA Number	Pass-Through Grant Number	(Note 1) Amount of Expenditures	Amount Provided To Subrecipients
FEDERAL AWARDS				
U.S. DEPARTMENT OF AGRICULTURE				
Indirect Programs:				
Child Nutrition Cluster				
Passed thru Florida Department of Agriculture				
National School Lunch Program (Note 2)	10.555	01-0233	$ 126,484	
Passed thru Louisiana Department of Education				
National School Lunch Program (Note 2)	10.555	09-SFS-007	52,169	
Passed thru New Mexico Public Education Department				
National School Lunch Program (Note 2)	10.555	11008	27,835	
Passed thru Texas Department of Agriculture				
National School Lunch Program (Note 2)	10.555	01198	12,828	
Passed thru South Carolina Department of Education				
National School Lunch Program (Note 2)	10.555	5697, 5699, 5713, 5714, 5715, 5716	241,430	
Total CFDA 10.555 - National School Lunch Program			460,746	-
Total Child Nutrition Cluster			460,746	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			460,746	-
U.S. DEPARTMENT OF EDUCATION				
Indirect Programs:				
Passed thru Louisiana Dept. of Education				
Title I Grants to Local Educational Agencies				
Passed thru Caddo Parish	84.010	-	51,470	
Total CFDA 84.010 - Title I Grants to Local Educational Agencies			51,470	-
TOTAL U.S. DEPARTMENT OF EDUCATION			51,470	-
U.S. DEPARTMENT OF LABOR				
Direct Programs:				
Reentry Employment Opportunities	17.270	YF-33606-19-60-A-12	1,372,116	
Total CFDA 17.270 - Reentry Employment Opportunities			1,372,116	-
Youthbuild	17.274	YB-32999-18-60-A-22	355,116	
Youthbuild	17.274	YB-34255-19-60-A-45	252,276	
Total CFDA 17.274 - Youthbuild			607,392	-
Youth Apprentice Readiness Program	17.258	AP-35086-20-60-A-12	347,041	
Total CFDA 17.258 - Youth Apprentice Readiness Program			347,041	-
TOTAL U.S. DEPARTMENT OF LABOR			2,326,549	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Indirect Programs:				
Passed thru Florida Dept. of Children and Families				
Passed thru Big Bend Community Based Care				
Comprehensive Community Mental Health Services for Children with Serious Emotional Distburbances (SED)	93.104	DAJ07	221,139	
Total CFDA 93.104 - Comprehensive Community Mental Health Services for Children with SED			221,139	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			221,139	-

AMIkids, Inc. and Affiliates
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	CFDA CSFA Number	Pass-Through Grant Number	(Note 1) Amount of Expenditures	Amount Provided To Subrecipients
CORPORATION FOR NATIONAL AND COMMUNITY SERVICES				
Indirect Programs:				
Passed thru Volunteer Florida				
AmeriCorps	94.006	1980215206	182,602	
Total CFDA 94.006 - AmeriCorps			182,602	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			182,602	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Indirect Programs:				
CDBG - Entitlement Grants Cluster				
Passed thru Brevard County				
Community Development Block Grants/Entitlement Grants	14.218	N/A	5,308	
Total CFDA 14.218 - Community Development Block Grants/Entitlement Grants			5,308	-
Total CDBG Entitlement Grants Cluster			5,308	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			5,308	-
U.S DEPARTMENT OF THE TREASURY				
Indirect Programs:				
Passed thru Bay County Board of County Commissioners				
Resources and Ecosystems Sustainability, Tourist Opportunities, and				
Revived Economies of the Gulf Coast States	21.015	RDCGR30040-01-00	184,500	
Total CFDA 21.015 - Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States			184,500	-
Passed thru United Way of Northwest Florida				
COVID-19 Coronavirus Relief Fund	21.019		45,125	
Passed thru Clay County				
COVID-19 Coronavirus Relief Fund	21.019		35,000	
Passed thru Hillsborough County				
COVID-19 Coronavirus Relief Fund	21.019		56,877	
Passed thru Manatee County				
COVID-19 Coronavirus Relief Fund	21.019		23,275	
Total CFDA 21.019 - COVID-19 Coronavirus Relief Fund			160,277	-
TOTAL U.S. DEPARTMENT OF THE TREASURY			344,777	-
U.S. DEPARTMENT OF JUSTICE				
Indirect Programs:				
Passed thru State of South Carolinaa Department of Public Safety				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	1CF20096	19,441	
Total CFDA 16.034 - COVID-19 Coronavirus Emergency Supplemental Funding Program			19,441	-
TOTAL U.S. DEPARTMENT OF JUSTICE			19,441	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 3,612,032**	-

AMIkids, Inc. and Affiliates
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	CFDA CSFA Number	Pass-Through Grant Number	(Note 1) Amount of Expenditures	Amount Provided To Subrecipients
STATE FINANCIAL ASSISTANCE - FLORIDA				
FLORIDA DEPARTMENT OF EDUCATION				
Direct Projects:				
School and Instructional Enhancement Programs	48.040	93Q-97495-DQ001	$ 1,238,003	
Total CSFA 48.040 - School and Instructional Enhancement Programs			1,238,003	-
AMIkids Academic Enrichment Program	48.175	93Q-97495-1Q002	99,920	
Total CSFA 48.175 AMIkids Academic Enrichment Program			99,920	-
TOTAL FLORIDA DEPARTMENT OF EDUCATION			1,337,923	-
FLORIDA DEPARTMENT OF JUVENILE JUSTICE				
Direct Projects:				
Delinquency Prevention				
Clay - CFPG	80.029	10521	730,958	
Gadsden - 700 Gender Specific	80.029	10552	598,279	
Tampa - 725 - Gender Specific	80.029	10520	705,912	
Manatee - 725 - Gender Specific	80.029	10394	558,519	
Family Centric	80.029	10610	300,000	
Total CSFA 80.029 - Delinquency Prevention			2,893,668	-
Day Treatment Programs - Facility Based	80.021	10573	5,790,723	
Total CSFA 80.021 - Day Treatment Programs - Facility Based			5,790,723	-
TOTAL FLORIDA DEPARTMENT OF JUVENILE JUSTICE			8,684,391	-
FLORIDA DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES				
Direct Projects:				
Horse Country Specialty License Plate	76.104	N/A	398,550	
TOTAL FLORIDA DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES			398,550	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE - FLORIDA			**$ 10,420,864**	**-**

NOTE 1: BASIS OF PRESENTATION

The schedule of expenditures of federal awards and state financial assistance represents amounts expended from federal award programs and state projects during the fiscal year as determined on the modified accrual basis of accounting. The information in the 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) and the *Florida Department of Financial Services' State Projects Compliance Supplement*. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the Organization's accounting records from which the basic financial statements have been reported. Federal and State funds that are not subject to Uniform Guidance, or Florida Single Audit are not included on this schedule.

The Organization has elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance for the year ended June 30, 2021.

The Organizations' federal awards do not have any loans or loan guarantees.

NOTE 2: NONCASH ASSISTANCE FOR NATIONAL SCHOOL LUNCH

Food donations from the United States Department of Agriculture represent the amount of donated food consumed during the fiscal year. Commodities totaling $3,063 were valued at fair value at the time of donation and included in the reported expenditures.

AMIkids, Inc. and Affiliates
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

1. Type of auditors' report issued — Unmodified
2. Internal control over financial reporting:
   a. Material weaknesses identified? — None
   b. Significant deficiencies identified not considered to be material weaknesses? — None noted
   c. Noncompliance material to the financial statements noted? — None

Federal Awards:

1. Type of auditors' report issued on compliance for major programs — Unmodified
2. Internal control over major programs:
   a. Material weaknesses identified? — None
   b. Significant deficiencies identified not considered to be material weaknesses? — Yes
3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? — Yes
4. Identification of major programs:

CFDA Number	Program
21.019	COVID-19 Coronavirus Relief Fund
17.270	Re-Entry Employment Opportunities

5. Dollar threshold used to distinguish between type A and type B programs: — $750,000
6. Auditee qualified as low-risk auditee under 2 CFR 200.520? — No

State Projects:

1. Type of auditors' report issued on compliance for major programs — Unmodified
2. Internal control over major programs:
   a. Material weaknesses identified? — None
   b. Significant deficiencies identified not considered to be material weaknesses? — None noted
3. Any audit findings disclosed that are required to be reported in accordance with Rule 10.554(1)(l)(4)? — None
3. Identification of major programs:

CSFA Number	Project
48.040	Student and Instructional Enhancement Program
80.021	Day Treatment Programs – Facility Based

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – FEDERAL AWARD FINDINGS

Finding Number: 2021-001, Significant Deficiency

CFDA # 21.019:

Federal Program: COVID-19 Coronavirus Relief Fund
Awarding Agency: U.S. Department of Treasury
Passed through: United Way of Northwest Florida
Contract Number and Year: 2021
Compliance Requirement: Reporting
Questioned Costs: N/A

Criteria: 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition: Review of required reporting submitted was not documented.

Cause: The Coronavirus Relief Fund is a new federal program. Regulations changed quickly and Program staff met in person to discuss the report to be filed but did not document these discussions.

Effect: Reports may contain inaccurate information or errors and may not be submitted timely in accordance with the program requirements.

Recommendation: The Organization should strengthen its process surrounding review and approval of reporting under federal programs.

Response: Management concurs with the finding.

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior year findings.

Finding 2021-001 Corrective Action Plan

Finding 2021-001 - Review and approval of reporting submitted to the United Way of Northwest Florida for funding under the CRF program was not documented.

CONTACT PERSON: Devon Simon, Controller, AMIkids, Inc.

CORRECTIVE ACTION

The United Way of Northwest Florida required that the reporting be done online using an electronic portal. This requirement was complied with however, the review and approval process of the information that was entered online was not documented. At the time of this report, the Organization had no active funding under this program.

To prevent this from reoccurring, the Organization's Fiscal Management Manual for Federal Awards will be updated to specifically include the following:

1. For reports that are submitted electronically and/or through a portal, a screen shot and/or printout of the electronic submission must be made.
2. The prints and/or screen shots must be reviewed and signed by the Executive Director or acting Program Lead.
3. These records must be kept pursuant to the terms of the agreement and federal requirements.

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The Fiscal Management Manual for Federal Awards will be updated by November 30, 2021 and the change will be communicated to all Program Executive Directors and/or Program Leads.

Maria Porto-Duarte, CFO	October 19, 2021 Date