The Children's Home Society of Florida and Subsidiaries

Consolidated Financial Report
June 30, 2021

Contents

Independent auditor's report	1-2
Financial statements	
Consolidated statements of financial position	3
Consolidated statements of activities	4-5
Consolidated statements of functional expenses	6-7
Consolidated statements of cash flows	8
Notes to consolidated financial statements	9-27
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*	28-29

RSM US LLP

Independent Auditor's Report

Audit Committee
The Children's Home Society of Florida

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Children's Home Society of Florida and its subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Children's Home Society of Florida and its subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, on our consideration of The Children's Home Society of Florida and its subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Children's Home Society of Florida and its subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Children's Home Society of Florida and its subsidiaries' internal control over financial reporting and compliance.

RSM US LLP

Orlando, Florida
October 29, 2021

The Children's Home Society of Florida and Subsidiaries

Consolidated Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	**$ 6,964,071**	$ 7,779,958
Receivables, net	**10,200,131**	11,512,552
Prepaid expenses and other assets	**1,090,201**	1,981,648
Investments	**18,497,970**	14,887,308
Assets held for sale	**72,500**	1,400,393
Beneficial interests	**30,091,439**	25,768,040
Property and equipment, net	**22,333,278**	25,346,797
Total assets	**$ 89,249,590**	$ 88,676,696
Liabilities and Net Assets		
Liabilities:		
Accounts payable	**$ 1,811,353**	$ 3,591,659
Accrued expenses	**7,106,098**	8,575,430
Deferred revenue and other liabilities	**2,362,234**	1,449,344
Pension liability	**7,986,176**	11,626,512
Held in custody for account of others	**707,998**	901,054
Debt and line of credit	**1,526,899**	12,678,815
Total liabilities	**21,500,758**	38,822,814
Commitments and contingencies (Notes 9, 11 and 12)		
Net assets:		
Without donor restrictions	**37,630,090**	24,037,842
With donor restrictions	**30,118,742**	25,816,040
Total net assets	**67,748,832**	49,853,882
Total liabilities and net assets	**$ 89,249,590**	$ 88,676,696

See notes to consolidated financial statements.

The Children's Home Society of Florida and Subsidiaries

Consolidated Statement of Activities
Year Ended June 30, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating public support and revenues:			
Operating public support:			
United Way	$ 1,250,505	$ -	$ 1,250,505
Bequests, contributions and special events	6,145,858	471,314	6,617,172
Total operating public support	7,396,363	471,314	7,867,677
Revenue from service contracts	86,230,498	-	86,230,498
Adoptive and other service fees	597,100	-	597,100
Investment income, net	316,524	-	316,524
Gain on sale of property and equipment / assets held for sale	6,146,250	-	6,146,250
Other revenues	771,326	-	771,326
Net assets released from restrictions	1,574,655	(1,574,655)	-
Total operating public support and revenues	103,032,716	(1,103,341)	101,929,375
Operating expenses:			
Program services	80,656,372	-	80,656,372
Supporting services:			
Management and general	12,398,061	-	12,398,061
Fundraising	3,184,327	-	3,184,327
Total supporting services	15,582,388	-	15,582,388
Total operating expenses	96,238,760	-	96,238,760
Change in net assets from operations	6,793,956	(1,103,341)	5,690,615
Other changes:			
Change in beneficial interests	-	5,406,043	5,406,043
Net realized and unrealized gains on investments	3,529,340	-	3,529,340
Other components of net periodic benefit cost	(1,039,522)	-	(1,039,522)
Pension related changes other than net periodic benefit cost	4,308,474	-	4,308,474
Change in other changes	6,798,292	5,406,043	12,204,335
Change in net assets	13,592,248	4,302,702	17,894,950
Net assets:			
Beginning	24,037,842	25,816,040	49,853,882
Ending	$ 37,630,090	$ 30,118,742	$ 67,748,832

See notes to consolidated financial statements.

The Children's Home Society of Florida and Subsidiaries

Consolidated Statement of Activities
Year Ended June 30, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating public support and revenues:			
Operating public support:			
United Way	$ 1,207,741	$ -	$ 1,207,741
Bequests, contributions and special events	6,099,537	977,574	7,077,111
Total operating public support	7,307,278	977,574	8,284,852
Revenue from service contracts	92,271,898	-	92,271,898
Adoptive and other service fees	469,667	-	469,667
Investment income, net	341,044	-	341,044
Gain on sale of property and equipment / assets held for sale	199,291	-	199,291
Other revenues	753,488	-	753,488
Net assets released from restrictions	2,008,677	(2,008,677)	-
Total operating public support and revenues	103,351,343	(1,031,103)	102,320,240
Operating expenses:			
Program services	88,004,410	-	88,004,410
Supporting services:			
Management and general	12,602,416	-	12,602,416
Fundraising	4,156,521	-	4,156,521
Total supporting services	16,758,937	-	16,758,937
Total operating expenses	104,763,347	-	104,763,347
Change in net assets from operations	(1,412,004)	(1,031,103)	(2,443,107)
Other changes:			
Change in beneficial interests	-	1,463,983	1,463,983
Net realized and unrealized gains on investments	124,568	-	124,568
Other components of net periodic benefit cost	(1,436,044)	-	(1,436,044)
Pension related changes other than net periodic benefit cost	(1,987,919)	-	(1,987,919)
Change in other changes	(3,299,395)	1,463,983	(1,835,412)
Change in net assets	(4,711,399)	432,880	(4,278,519)
Net assets:			
Beginning	28,749,241	25,383,160	54,132,401
Ending	$ 24,037,842	$ 25,816,040	$ 49,853,882

See notes to consolidated financial statements.

The Children's Home Society of Florida and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services					Supporting Services			
	Child Welfare Solutions	Behavioral Health Solutions	Early Childhood Solutions	Community Solutions	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total Functional Expenses
Salaries	$ 26,974,188	$ 9,259,315	$ 8,904,842	$ 5,257,765	$ 50,396,110	$ 6,371,976	$ 1,804,645	$ 8,176,621	$ 58,572,731
Employee benefits	4,501,700	1,534,781	1,475,383	888,765	8,400,629	848,968	311,092	1,160,060	9,560,689
Payroll taxes and other	2,437,249	842,826	803,068	464,017	4,547,160	552,573	142,487	695,060	5,242,220
Total salaries and related expenses	33,913,137	11,636,922	11,183,293	6,610,547	63,343,899	7,773,517	2,258,224	10,031,741	73,375,640
Professional fees	430,679	561,718	140,924	1,382,386	2,515,707	949,513	113,893	1,063,406	3,579,113
Supplies	117,404	13,840	119,835	145,807	396,886	9,431	8,275	17,706	414,592
Communications	542,095	380,723	214,859	182,472	1,320,149	827,174	124,391	951,565	2,271,714
Postage and shipping	24,657	4,711	11,916	2,445	43,729	16,686	23,109	39,795	83,524
Occupancy	1,386,768	448,633	831,333	999,690	3,666,424	661,364	68,966	730,330	4,396,754
Rental and maintenance of equipment	141,013	35,444	159,660	104,835	440,952	27,145	7,218	34,363	475,315
Printing and publications	15,750	11,106	5,324	20,488	52,668	58,772	35,938	94,710	147,378
Travel	998,875	67,210	116,988	103,744	1,286,817	86,916	13,868	100,784	1,387,601
Conferences, conventions and meetings	94,219	2,033	60,910	49,675	206,837	85,032	4,237	89,269	296,106
Specific assistance to individuals	1,325,807	527,175	1,008,181	605,499	3,466,662	2,348	83,069	85,417	3,552,079
Membership dues	62,854	4,541	48,430	21,070	136,895	77,548	9,243	86,791	223,686
Interest	398	-	-	3	401	188,671	1	188,672	189,073
Insurance	952,101	246,510	192,939	119,764	1,511,314	92,183	17,457	109,640	1,620,954
Provision for bad debt (recovery)	24,235	499,583	53	-	523,871	(119,705)	125,148	5,443	529,314
Contributed goods	360,956	2,068	243,756	166,491	773,271	-	170,072	170,072	943,343
Other	195,804	43,525	31,607	42,188	313,124	250,545	116,086	366,631	679,755
Total before depreciation and amortization	40,586,752	14,485,742	14,370,008	10,557,104	79,999,606	10,987,140	3,179,195	14,166,335	94,165,941
Depreciation and amortization	325,967	119,177	79,619	132,003	656,766	1,410,921	5,132	1,416,053	2,072,819
Total expenses	$ 40,912,719	$ 14,604,919	$ 14,449,627	$ 10,689,107	$ 80,656,372	$ 12,398,061	$ 3,184,327	$ 15,582,388	$ 96,238,760

See notes to consolidated financial statements.

The Children's Home Society of Florida and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services					Supporting Services			
	Child Welfare Solutions	Behavioral Health Solutions	Early Childhood Solutions	Community Solutions	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total Functional Expenses
Salaries	$ 32,831,849	$ 10,673,316	$ 7,479,127	$ 4,993,848	$ 55,978,140	$ 6,431,048	$ 2,070,339	$ 8,501,387	$ 64,479,527
Employee benefits	3,801,290	1,233,904	868,591	585,086	6,488,871	434,743	232,758	667,501	7,156,372
Payroll taxes and other	3,110,122	1,023,945	712,821	464,260	5,311,148	486,131	164,232	650,363	5,961,511
Total salaries and related expenses	39,743,261	12,931,165	9,060,539	6,043,194	67,778,159	7,351,922	2,467,329	9,819,251	77,597,410
Professional fees	505,048	687,424	190,069	1,444,870	2,827,411	1,148,923	172,144	1,321,067	4,148,478
Supplies	182,162	32,752	68,530	80,050	363,494	35,037	19,877	54,914	418,408
Communications	692,354	386,479	218,467	143,260	1,440,560	867,920	117,635	985,555	2,426,115
Postage and shipping	36,308	11,640	8,081	5,393	61,422	14,426	21,212	35,638	97,060
Occupancy	1,656,693	603,361	744,078	875,050	3,879,182	588,825	136,647	725,472	4,604,654
Rental and maintenance of equipment	197,535	126,080	83,088	80,631	487,334	43,684	8,989	52,673	540,007
Printing and publications	11,538	25,261	5,280	27,253	69,332	141,409	36,196	177,605	246,937
Travel	2,177,256	328,259	398,079	210,743	3,114,337	233,543	78,289	311,832	3,426,169
Conferences, conventions and meetings	90,946	33,601	31,800	86,240	242,587	36,033	15,085	51,118	293,705
Specific assistance to individuals	1,568,246	491,731	1,056,692	407,616	3,524,285	15,648	53,271	68,919	3,593,204
Membership dues	87,230	1,119	15,025	25,498	128,872	78,132	7,041	85,173	214,045
Interest	631	19	1	201	852	416,769	64	416,833	417,685
Insurance	849,653	274,954	209,359	108,515	1,442,481	92,371	17,514	109,885	1,552,366
Provision for bad debt	219,762	671,642	-	-	891,404	6	497,731	497,737	1,389,141
Contributed goods	363,008	14,458	199,180	81,874	658,520	45	220,133	220,178	878,698
Other	224,092	32,163	30,032	121,842	408,129	325,785	279,946	605,731	1,013,860
Total before depreciation and amortization	48,605,723	16,652,108	12,318,300	9,742,230	87,318,361	11,390,478	4,149,103	15,539,581	102,857,942
Depreciation and amortization	343,388	77,332	74,611	190,718	686,049	1,211,938	7,418	1,219,356	1,905,405
Total expenses	$ 48,949,111	$ 16,729,440	$ 12,392,911	$ 9,932,948	$ 88,004,410	$ 12,602,416	$ 4,156,521	$ 16,758,937	$ 104,763,347

See notes to consolidated financial statements.

The Children's Home Society of Florida and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	**$ 17,894,950**	$ (4,278,519)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**2,072,819**	1,905,405
Net realized and unrealized gains on investments	**(3,529,340)**	(124,568)
Change in beneficial interests	**(4,323,399)**	(464,440)
Gain on sale of property and equipment / assets held for sale	**(6,146,250)**	(199,291)
Provision for doubtful accounts	**529,314**	1,389,141
Changes in operating assets and liabilities:		
Receivables	**783,107**	(365,832)
Prepaid expenses and other assets	**891,447**	240,726
Accounts payable	**(1,780,306)**	1,925,881
Accrued expenses	**(1,469,332)**	(301,233)
Deferred revenue and other liabilities	**912,890**	665,502
Pension liability	**(3,640,336)**	3,423,963
Net cash provided by operating activities	**2,195,564**	3,816,735
Cash flows from investing activities:		
Purchases of property and equipment	**(895,122)**	(1,429,493)
Proceeds from sale of property and equipment / assets held for sale	**9,116,909**	266,808
Proceeds from sale of investments	**9,034,196**	13,926,705
Purchases of investments	**(9,115,518)**	(13,814,005)
Net cash provided by (used in) investing activities	**8,140,465**	(1,049,985)
Cash flows from financing activities:		
Proceeds from debt and line of credit	**-**	806,145
Principal payments on debt and line of credit	**(11,151,916)**	(1,190,967)
Net cash used in financing activities	**(11,151,916)**	(384,822)
Net (decrease) increase in cash and cash equivalents	**(815,887)**	2,381,928
Cash and cash equivalents:		
Beginning	**7,779,958**	5,398,030
Ending	**$ 6,964,071**	$ 7,779,958
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	**$ 189,073**	$ 410,556

See notes to consolidated financial statements.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: The Children's Home Society of Florida and Subsidiaries (collectively, CHS) is a nonprofit organization, which provides effective solutions to build and support healthy families for Florida's children.

CHS' major program services are as follows:

Child welfare solutions (breaking cycles of child abuse and neglect): CHS serves children who have been abused and neglected with a goal to find a permanent solution (reunification, adoption or permanent living situation with a relative), so that the child lives in a safe nurturing environment. These services include case management, shelter, foster/adoptive home recruitment and retention, in home support services, family preservation services, child protection teams, children in need of services and families in need of services (CINS/FINS) programs for runaway and homeless youth, family and sibling visitation services, group home services, reunification, adoption and transitional living services. CHS has developed and implemented innovative solutions (i.e., CaseAIM) to reduce lengths of stay for children in care, improve the quality of care and child welfare outcomes of safety, permanency and well-being.

Behavioral health solutions (improving health and well-being of children and families): CHS serves children, families and adults who are diagnosed with behavioral disorders and are in need of counseling, psychiatric care and case management services. CHS provides trauma-focused therapy to improve the resiliency of children and adults exposed to trauma. CHS behavioral health solutions promote access, quality and outcome. Services are accessible at the convenience of CHS' clients (in home, school, community settings and via telehealth). Behavioral health services operate with the goal of showing improved functioning in the children and adults served and reducing their risk for inpatient and crisis stabilization services.

Early childhood solutions (improving developmental well-being and academic readiness of children ages 0-5): CHS serves children, their caregivers and pregnant women, through a variety of early intervention and early education services: Healthy Families, Early Steps, Early Head Start, Healthy Start and Bridges. CHS promotes healthy bonding, attachment and development through the implementation of evidence-based curricula in home visiting and center-based settings. CHS' early childhood solutions are effective in helping children achieve school readiness by age 5, a key indicator in their future academic success.

Community solutions (promoting safe communities and schools): CHS serves communities and collaborates with multiple partners to create solutions, which support entire communities, such as youth employment, neighborhood engagement in educations (Bridges), and Community Partnership Schools. In these schools and services, CHS and partners work to remove barriers to learning (hunger, homelessness, illness), promote opportunities through enrichment activities during and after school, promote youth development and provide a solid foundation for academic instruction. In Community Partnership Schools, community leaders, parents, teachers and students have a voice in a shared governance model with a shared vision, goals and outcomes for the school and surrounding neighborhood. The goals of these schools and services include increased graduation rates, improved school attendance, reduced disciplinary actions in schools, and increased health and safety in the school and surrounding neighborhoods.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

A summary of CHS' significant accounting policies follows:

Principles of consolidation: The consolidated financial statements of CHS include the accounts of CHS and its wholly owned subsidiaries. CHS' wholly owned subsidiaries are as follows:

Centennial Holdings, LLC
Centennial Holdings (Treasure Coast), LLC
Centennial Holdings (North Central), LLC
ECIL Capital, LLC
Centennial Holdings (Southwest), LLC
Centennial Holdings Collier Child Care, LLC
Centennial Holdings (Brevard), LLC
Centennial Holdings (Buckner), LLC
Centennial Holdings (Central Florida), LLC
Centennial Holdings (Emerald Coast), LLC
Centennial Holdings (Gulf Coast), LLC
Centennial Holdings (Intercoastal), LLC
Centennial Holdings (Mid-Florida), LLC
Centennial Holdings (North Coastal), LLC
Centennial Holdings (Southeast), LLC

All intercompany balances have been eliminated in consolidation.

Basis of presentation: The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

A nonprofit organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of CHS and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization, passage of time, or permanently maintained by the organization. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Consolidated statements of activities: CHS has an intermediate measure of operating results that classifies certain activities not included in operations as other changes. Other changes include change in beneficial interests, net realized and unrealized gains on investments, other components of net periodic benefit cost and pension related changes other than net periodic benefit cost.

Cash and cash equivalents: For purposes of reporting on the consolidated statements of cash flows, CHS considers demand accounts and money market accounts to be cash and money market funds to be cash equivalents. CHS maintains cash and cash equivalents with various major financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC). From time to time, balances may exceed amounts insured by the FDIC.

Receivables: Receivables are stated at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. CHS uses the allowance method to determine uncollectible receivables. The allowance is established based upon management's analysis of specific accounts and other economic factors. In the opinion of management, the allowance for doubtful accounts of $1,168,859 and $1,163,274 at June 30, 2021 and 2020, respectively, reflects management's best estimate of uncollectible accounts.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Investments and investment income: Investments are reported at fair value (see Note 6). Investment income reported in the accompanying consolidated statements of activities includes interest and dividend income, net of investment expenses. Investments and realized and unrealized gains and losses are reported within net assets without donor restrictions unless its use is restricted by explicit donor stipulations.

Property and equipment: Property and equipment is capitalized at cost when purchased or at fair value at the date of gift, if contributed. Depreciation is computed on the straight-line method of accounting over the estimated useful lives of the assets. The lives of the various assets range from 3 to 40 years. The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gains or losses from disposition are credited or charged to income. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The cost of leasehold improvements on leased office space is capitalized and amortized using the straight-line method of accounting over the term of the lease, or the useful life of the improvement, whichever is shorter.

Impairment of long-lived assets: The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate such value may not be recoverable. Recoverability of assets or asset groups to be held and used is measured by a comparison of the carrying amount of an asset or asset group to future net cash flows expected to be generated by the asset or asset group. If such assets or asset groups are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets or asset groups exceeds the fair value of the assets or asset groups. Assets or asset groups to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. No impairment of its long-lived assets or asset groups has been recognized during the years ended June 30, 2021 and 2020.

Assets held for sale: Assets held for sale are carried at the lower of carrying value or fair value less costs to sell.

Beneficial interests:
Beneficial interest in the net assets of The Children's Home Society of Florida Foundation, Inc. (Foundation): In accordance with guidance related to accounting for contributions held by an organization for the benefit of another organization, CHS recognizes its interest in the net assets of the Foundation in its consolidated financial statements under the equity method. Distributions from the Foundation are reported as a reduction in the beneficial interest and the change in residual value of net assets with donor restrictions of the Foundation are reported as a change in beneficial interests in the consolidated statements of activities.

Beneficial interest in assets held by others: The beneficial interest in assets held by others is recorded as a beneficial interest in the consolidated statements of financial position at fair value based on the value of the underlying assets. Change in fair value of the beneficial interest in assets held by others is reported as a change in beneficial interests in the consolidated statements of activities.

Deferred revenue and other liabilities: Funds received for programs that have not been started or have not met the requirements for recognizing revenue based on services performed are recorded as deferred revenue. Other liabilities consist primarily of loss estimates for potential Medicaid audit adjustments.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

CHS receives certain service contract revenues from public agencies, which are recorded on an accrual basis at the net realizable amounts estimated to be received. Revenues from public agencies are subject to periodic audit and retroactive adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the year the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations. Laws and regulations governing the Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Public support and revenue recognition: CHS recognizes contributions received, including unconditional promises to give, as assets and revenue in the period received at their fair values. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Gifts of cash and other assets are reported as net assets with donor restrictions support if they are received with donor stipulations that limit the use of such assets. When donor restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Revenue from service contracts: CHS is principally funded by public agencies whose funding is subject to annual appropriations. These public agency contracts are fixed fee, unit of service, or cost reimbursement contracts. Revenue from fixed fee and unit of service contracts are recognized when services are provided. Revenue from cost reimbursement contracts are recognized when eligible costs are incurred.

Adoptive and other service fees: Revenue from adoptive and other service fees are recognized when services are provided.

Contributed services and goods: Contributed services are reported at fair value in the consolidated financial statements for voluntary donations of services only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donations. Contributed services were approximately $76,000 and $3,600 for the years ended June 30, 2021 and 2020, respectively, which is included in bequests, contributions and special events in the accompanying consolidated statements of activities.

Contributed goods are reported at fair value in the consolidated financial statements in the period received. Contributed goods were approximately $943,300 and $878,700 for the years ended June 30, 2021 and 2020, respectively, which is included in bequests, contributions and special events in the accompanying consolidated statements of activities.

Functional expenses: The cost of providing various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided. Occupancy costs are allocated to the various programs based on square footage occupied by each program.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Income taxes: CHS is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying consolidated financial statements.

In addition, management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying consolidated financial statements. CHS files tax returns in the U.S. federal jurisdiction. Generally, CHS is no longer subject to U.S. federal income tax examinations by taxing authorities for years before June 30, 2018.

Recent accounting pronouncements: In February 2016, the Financial Accounting Standards Board (FASB) issued its new lease accounting guidance in Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: (1) A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) A right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Lessees will no longer be provided with a source of off-balance sheet financing. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. Nonpublic entities should apply the amendments for fiscal years beginning after December 15, 2021. CHS is currently evaluating the impact this ASU will have on its consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit entities. The ASU will require a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash or other financial assets. The ASU will also require enhanced disclosure, including disaggregation of nonfinancial assets recognized by category and qualitative information about each category. The amendments in this ASU will be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. CHS is currently evaluating the impact this ASU will have on its consolidated financial statements.

The FASB has issued certain new or modifications to, or interpretations of, existing accounting guidance in addition to the ASU's described above. CHS has considered the new pronouncements and does not believe that any other new or modified guidance will have a material impact on CHS' reported consolidated financial position or activities in the near term.

Recent accounting pronouncements adopted: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. On July 1, 2020, CHS adopted ASU 2014-09 under the modified retrospective approach which allows the cumulative effect to be recognized as of the date of initial application. CHS has determined that the adoption of ASU 2014-09 did not result in an adjustment to net assets and did not have a significant effect on the amount and timing of revenue recognition for the year ended June 30, 2021.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Subsequent events: Management has assessed subsequent events through October 29, 2021, the date the consolidated financial statements were available to be issued.

Note 2. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2021 and 2020:

	2021	2020
Restricted for specified purposes:		
Beneficial interest in the net assets of The Children's Home Society of Florida Foundation, Inc.	$ 21,132,678	$ 15,954,460
Beneficial interest in assets held by others – Community Foundation of Tampa Bay, Inc.	-	(166,377)
Other	27,303	48,000
	21,159,981	15,836,083
Restricted in perpetuity:		
Beneficial interest in the net assets of The Children's Home Society of Florida Foundation, Inc.	8,958,761	9,019,385
Beneficial interest in assets held by others – Community Foundation of Tampa Bay, Inc.	-	960,572
	8,958,761	9,979,957
	$ 30,118,742	$ 25,816,040

As of June 30, 2021 and 2020, net assets of $1,574,655 and $2,008,677, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes.

Note 3. Receivables

Receivables consisted of the following at June 30, 2021 and 2020:

	2021	2020
Community based care contracts	$ 3,315,800	$ 4,205,472
Other contracts	5,016,158	4,605,924
Government contracts	1,760,594	1,964,534
Pledges	927,196	1,074,621
Medicaid	354,539	832,151
	11,374,287	12,682,702
Less allowance for doubtful accounts	(1,168,859)	(1,163,274)
Less discount for time-value of money	(5,297)	(6,876)
	$ 10,200,131	$ 11,512,552

Note 3. Receivables (Continued)

Pledges that are included above are unconditional promises to give at June 30, 2021 and 2020, and are summarized as follows:

	2021	2020
Amounts due:		
Within one year	$ 583,296	$ 487,008
One to five years	342,025	577,655
More than five years	1,875	9,958
	927,196	1,074,621
Less allowance for doubtful accounts	(785,524)	(660,216)
Less discount for time-value of money	(5,297)	(6,876)
	$ 136,375	$ 407,529

Note 4. Investments

The fair value of investments at June 30, 2021 and 2020, consists of the following:

	2021	2020
Mutual funds:		
Large blend fund	$ 7,123,456	$ 5,843,155
Intermediate core-plus bond fund	2,880,679	2,105,760
Multi-asset income fund	1,841,739	1,372,485
Large growth fund	1,037,780	1,142,761
Foreign large blend fund	982,960	1,116,534
Foreign large growth fund	780,745	263,627
Mid-cap blend fund	474,806	180,961
Real estate fund	444,971	368,384
Infrastructure fund	362,087	282,430
Small blend fund	358,953	171,976
Multi-sector bond fund	354,010	562,752
Large value fund	298,475	171,448
Bank loan fund	257,047	197,821
Foreign large value fund	164,035	144,757
Fixed income fund	158,546	-
Diversified emerging market fund	150,393	-
Commodities focused fund	149,595	73,978
Foreign small/mid blend fund	124,534	95,980
Small growth fund	-	139,427
Mid-cap growth fund	-	116,910
Real estate investment trust	553,159	536,162
	$ 18,497,970	$ 14,887,308

Note 5. Property and Equipment

Property and equipment consisted of the following at June 30, 2021 and 2020:

	2021	2020
Land	$ 2,504,041	$ 2,587,041
Buildings and improvements	29,409,160	34,381,630
Furniture and equipment	13,102,227	13,636,238
Leasehold improvements	955,327	994,636
	45,970,755	51,599,545
Less accumulated depreciation	(23,637,477)	(26,252,748)
	$ 22,333,278	$ 25,346,797

Depreciation and amortization expense of property and equipment for the years ended June 30, 2021 and 2020, was approximately $2,073,000 and $1,905,000, respectively.

Note 6. Fair Value Measurements

CHS follows accounting standards relating to fair value measurements which defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standards relating to fair value measurements establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels are defined as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The fair value of actively traded debt and equity securities are based on quoted market prices. Fair value of inactively traded debt securities is based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation approach and are generally classified as Level 2.

The fair value of CHS' beneficial interest in assets held by others – Community Foundation of Tampa Bay, Inc. (Community Foundation) is determined based on CHS' allocated share of the Community Foundation's investment pool. Information is provided to CHS by Community Foundation management in the form of a quarterly investment report and through the Community Foundation's annual audit. The pooled investments at the Community Foundation primarily consist of Level 1 securities. The beneficial interest in the Community Foundation is classified as a Level 3 since redemption cannot occur in the near term.

Note 6. Fair Value Measurements (Continued)

The tables below represent CHS' financial assets measured at fair value on a recurring basis by level within the hierarchy at June 30, 2021 and 2020:

	2021			
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Large blend fund	$ 7,123,456	$ -	$ -	$ 7,123,456
Intermediate core-plus bond fund	2,880,679	-	-	2,880,679
Multi-asset income fund	1,841,739	-	-	1,841,739
Large growth fund	1,037,780	-	-	1,037,780
Foreign large blend fund	982,960	-	-	982,960
Foreign large growth fund	780,745	-	-	780,745
Mid-cap blend fund	474,806	-	-	474,806
Real estate fund	444,971	-	-	444,971
Infrastructure fund	362,087	-	-	362,087
Small blend fund	358,953	-	-	358,953
Multi-sector bond fund	354,010	-	-	354,010
Large value fund	298,475	-	-	298,475
Bank loan fund	257,047	-	-	257,047
Foreign large value fund	164,035	-	-	164,035
Fixed income fund	158,546	-	-	158,546
Diversified emerging market fund	150,393	-	-	150,393
Commodities focused fund	149,595	-	-	149,595
Foreign small/mid blend fund	124,534	-	-	124,534
Total investments in fair value hierarchy	17,944,811	-	-	17,944,811
Real estate investment trust measured at net asset value (a)	-	-	-	553,159
Total investments at fair value	$17,944,811	$ -	$ -	$18,497,970

Note 6. Fair Value Measurements (Continued)

	2020			
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Large blend fund	$ 5,843,155	$ -	$ -	$ 5,843,155
Intermediate core-plus bond fund	2,105,760	-	-	2,105,760
Multi-asset income fund	1,372,485	-	-	1,372,485
Large growth fund	1,142,761	-	-	1,142,761
Foreign large blend fund	1,116,534	-	-	1,116,534
Multi-sector bond fund	562,752	-	-	562,752
Real estate fund	368,384	-	-	368,384
Infrastructure fund	282,430	-	-	282,430
Foreign large growth fund	263,627	-	-	263,627
Bank loan fund	197,821	-	-	197,821
Mid-cap blend fund	180,961	-	-	180,961
Small blend fund	171,976	-	-	171,976
Large value fund	171,448	-	-	171,448
Foreign large value fund	144,757	-	-	144,757
Small growth fund	139,427	-	-	139,427
Mid-cap growth fund	116,910	-	-	116,910
Foreign small/mid blend fund	95,980	-	-	95,980
Commodities focused fund	73,978	-	-	73,978
Total investments in fair value hierarchy	14,351,146	-	-	14,351,146
Real estate investment trust measured at net asset value (a)	-	-	-	536,162
Total investments at fair value	$14,351,146	$ -	$ -	$14,887,308
Beneficial interest in assets held by others – Community Foundation of Tampa Bay, Inc.	$ -	$ -	$ 794,195	$ 794,195

(a) Certain investments that are measured at net asset value (NAV) per share practical expedient or its equivalent have not been classified in the fair value hierarchy. The fair value amounts presented in this table are reported for the purpose of reconciling the fair value hierarchy to the investments reported in the consolidated statements of financial position.

The real estate investment trust consists of an investment in ARA Core Property Fund, LP (the Fund) which is a Delaware limited partnership that invests primarily in core institutional-quality industrial, multi-family, office and retail properties located throughout the United States, and is diversified by product type, geographic region and economic exposure in order to mitigate investment risk. The Fund is an open-end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive relative to other asset classes with stable income and the potential for market appreciation. The fair value is determined using the NAV per share as a practical expedient, as provided by the investment manager. CHS receives audited financial statements annually and quarterly unaudited performance reports.

Note 6. Fair Value Measurements (Continued)

The following table sets forth additional disclosures of CHS' investments whose fair value is estimated using net asset value per share (or its equivalents) as of June 30, 2021 and 2020:

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
June 30, 2021				
Real estate investment trust	$ 553,159	$ -	Daily	90 days
June 30, 2020				
Real estate investment trust	$ 536,162	$ -	Daily	90 days

The table below sets forth a summary of the changes in the fair value of CHS' Level 3 financial assets (beneficial interest in assets held by others – Community Foundation of Tampa Bay, Inc.) during the years ended June 30, 2021 and 2020:

	2021	2020
Balance, beginning of year	$ 794,195	$ 892,115
Contributions	-	354
Net realized and unrealized losses	-	(5,540)
Interest and dividend income	-	13,240
Distributions to CHS	-	(99,997)
Investment manager and administrative fees	-	(5,977)
Transfer of beneficial interest in assets held by others – Community Foundation of Tampa Bay, Inc. (see Note 13)	(794,195)	-
Balance, end of year	$ -	$ 794,195

Note 7. Accrued Expenses

Accrued expenses consisted of the following at June 30, 2021 and 2020:

	2021	2020
Accrued salaries and benefits	$ 4,426,133	$ 5,247,118
Accrued vacation	2,142,054	2,289,289
Other	537,911	1,039,023
	$ 7,106,098	$ 8,575,430

Note 8. Debt and Line of Credit

Debt consisted of the following at June 30, 2021 and 2020:

	2021	2020
Note payable to a bank, due in monthly principal payments of $55,360 plus interest. The note bore interest at a variable interest rate based on the one-month LIBOR interest rate plus 1.50%. The note was collateralized by substantially all the assets of CHS. During the year ended June 30, 2021, CHS paid off the entire principal balance.	$ -	$ 10,139,707
Note payable to a bank, due in monthly principal and interest payments of $24,060. The note bears interest at a fixed interest rate of 4.70% and matures in December 2022. The note is collateralized by certain equipment.	417,289	679,498
Note payable to the city of Jacksonville, Florida, to finance construction of transitional housing for youths aging out of foster care. The note is non-interest-bearing and matures in March 2025. As described in the note agreement, if there is no uncured event of default upon the maturity date, then the outstanding balance will be forgiven and cancelled by the city of Jacksonville. At the time of debt forgiveness, CHS will recognize a gain in the consolidated statements of activities equal to the outstanding debt balance. The note is collateralized by property in Jacksonville, Florida.	740,822	740,822
Note payable to the Florida Housing Finance Corporation to finance construction of transitional housing for youths aging out of foster care. The note is non-interest-bearing and matures in March 2024, at which time, the entire unpaid principal is due and payable. The note is collateralized by property in Jacksonville, Florida.	248,788	248,788
Note payable to the Florida Housing Finance Corporation to finance construction of transitional housing for youths aging out of foster care. The note was non-interest-bearing and was collateralized by property in Sebring, Florida. During the year ended June 30, 2021, CHS paid off the entire principal balance.	-	750,000
Note payable to the county of Escambia, Florida, to finance construction of transitional housing for homeless pregnant women or women with children. The note is non-interest-bearing and matures in January 2023. As described in the note agreement, if there is no uncured event of default upon the maturity date, then the outstanding balance will be forgiven and cancelled by the county of Escambia. At the time of debt forgiveness, CHS will recognize a gain in the consolidated statements of activities equal to the outstanding debt balance. The note is collateralized by property in Pensacola, Florida.	120,000	120,000
	$ 1,526,899	$ 12,678,815

Note 8. Debt and Line of Credit (Continued)

Maturities of debt as of June 30, 2021, are as follows:

	Amount
Years ending June 30:	
2022	$ 274,982
2023	262,307
2024	248,788
2025	740,822
	$ 1,526,899

CHS has a $5,000,000 revolving line of credit with a bank bearing interest at the one-month LIBOR interest rate plus 1.95% (2.07% at June 30, 2021). Interest on the line of credit is payable monthly and matures on December 31, 2021. The line of credit is collateralized by substantially all assets of CHS. There was no outstanding balance on the line of credit at June 30, 2021 and 2020.

Under the terms of the agreements for the notes payable to a bank and the line of credit, CHS is required to maintain certain financial covenants relating to fixed charge coverage ratio and minimum unrestricted liquidity coverage. As of June 30, 2021, CHS was in compliance with the fixed charge coverage ratio and minimum unrestricted liquidity coverage.

Note 9. Commitments and Contingencies

Leases: Certain premises used by operating regions are occupied under operating leases, ranging up to seven years. Rent expense under all leases was approximately $2,161,000 and $2,453,000 for the years ended June 30, 2021 and 2020, respectively.

Future minimum lease payments under these operating leases as of June 30, 2021, are as follows:

	Amount
Years ending June 30:	
2022	$ 1,638,398
2023	957,934
2024	661,073
2025	472,936
2026	187,770
	$ 3,918,111

Self-insurance: CHS has a partial self-insurance plan that provides medical and other healthcare benefits to certain employees and covered dependents. CHS mitigates risk through a stop loss insurance policy, covering costs above $275,000 per plan, per individual per plan year, through a commercial excess coverage policy. Undiscounted estimated reserves for claims incurred but not yet reported totaled approximately $1,000,000 at June 30, 2021 and 2020, and is included in accrued expenses in the accompanying consolidated statements of financial position.

Note 10. Liquidity and Availability of Resources

As of June 30, 2021 and 2020, the following reflects CHS's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30, 2021 and 2020.

	2021	2020
Financial assets, at year-end		
Cash and cash equivalents	$ 6,964,071	$ 7,779,958
Receivables, net	10,200,131	11,512,552
Investments	18,497,970	14,887,308
Less those unavailable for general expenditures within one year, due to:		
Pledges receivable due in greater than one year	(47,250)	(58,976)
Contractual or donor-imposed restrictions:		
Restricted by donors with purpose restrictions	(27,303)	(48,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 35,587,619	$ 34,072,842

CHS has a policy of maintaining access to financial assets sufficient to support a minimum of 60 days of operating expenses through a combination of cash, cash equivalents, investments and a $5,000,000 revolving line of credit (see Note 8).

Note 11. Retirement Plans

Certain employees of CHS participate in a noncontributory Annuity Benefit Retirement Plan (the Plan) administered by CHS. The Plan provides for defined benefits. Benefits are based on years of service and the employee's final average compensation as defined under the Plan. CHS' funding policy is to contribute annually amounts based on the actuarial status of the Plan, but not less than that necessary to meet minimum regulatory funding standards. Plan assets consist of investments in a variety of debt and equity securities. Empower Retirement serves as the Plan's actuary.

On June 22, 2007, the Board of Directors approved a motion to freeze employee accrual of benefits under the Plan effective September 30, 2007, at which time, employees shall not accrue any further benefits after such date.

During the years ended June 30, 2021 and 2020, lump sum settlement payments were $1,846,405 and $2,760,818, respectively. Lump sum settlement benefit payments were made to participants because the total lump sum cash payments exceeded the sum of the service cost and interest cost.

Note 11. Retirement Plans (Continued)

The following tables provide a reconciliation of the changes in the Plan's benefit obligations and fair value of assets over the two-year period ended June 30, 2021, and a statement of the funded status as of June 30, 2021 and 2020:

	2021	2020
Accumulated benefit obligation at end of year	$ 36,813,880	$ 39,904,044
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 39,904,044	$ 36,362,840
Interest cost	999,461	1,185,557
Actuarial (gain) loss	(1,646,225)	5,651,121
Benefit payments	(596,995)	(534,656)
Lump sum settlement benefit payments	(1,846,405)	(2,760,818)
Projected benefit obligation at end of year	$ 36,813,880	$ 39,904,044

	2021	2020
Change in fair value of plan assets:		
Fair value of plan assets at beginning of year	$ 28,277,532	$ 28,160,291
Actual return on plan assets	2,894,959	3,607,973
Employer contributions	371,384	-
Expenses	(272,771)	(195,258)
Benefit payments	(596,995)	(534,656)
Lump sum settlement benefit payments	(1,846,405)	(2,760,818)
Fair value of plan assets at end of year	$ 28,827,704	$ 28,277,532
Unfunded status at end of year	$ (7,986,176)	$ (11,626,512)

The unfunded status as of June 30, 2021 and 2020, of $7,986,176 and $11,626,512, respectively, are recorded as pension liability in the accompanying consolidated statements of financial position.

Pension related changes other than net periodic benefit cost for the years ended June 30, 2021 and 2020, are as follows:

	2021	2020
Net actuarial (gain) loss	$ (3,562,897)	$ 3,705,079
Amortization of actuarial loss	(1,130,494)	(888,099)
Amount recognized due to settlement	384,917	(829,061)
Pension related changes other than net periodic benefit cost	$ (4,308,474)	$ 1,987,919

Note 11. Retirement Plans (Continued)

The table below represents CHS' pension plan assets measured at fair value by level within the hierarchy (see Note 6) as of June 30, 2021 and 2020:

	2021			
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Equity securities:				
Pooled separate accounts:				
Domestic equities	$ -	$ 5,748,490	$ -	$ 5,748,490
International equities	-	4,213,320	-	4,213,320
Debt securities:				
Pooled separate accounts:				
Long government bond fund	-	3,959,931	-	3,959,931
Long-term bond fund	-	14,905,963	-	14,905,963
	$ -	$ 28,827,704	$ -	$ 28,827,704

	2020			
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Equity securities:				
Pooled separate accounts:				
Domestic equities	$ -	$ 4,023,767	$ -	$ 4,023,767
International equities	-	3,049,356	-	3,049,356
Debt securities:				
Pooled separate accounts:				
Long government bond fund	-	6,307,218	-	6,307,218
Long-term bond fund	-	14,897,191	-	14,897,191
	$ -	$ 28,277,532	$ -	$ 28,277,532

CHS' pension plan weighted-average asset allocations at June 30, 2021 and 2020, by asset category are as follows:

	Target Allocation	Percentage of Plan Assets at June 30,	
	2022	2021	2020
Equity securities	30%	35%	25%
Debt securities	70%	65%	75%
	100%	100%	100%

Expected return on plan assets: The expected rate of return on Plan assets is 5.5%, which reflects the average rate of earnings that CHS estimates will be generated on the assets of the Plan.

Investment policy and strategy: The primary investment objectives of the Plan's investment pool are to preserve the purchasing power of assets and earn a reasonable real rate of return over the long-term while minimizing the short-term volatility of results.

Note 11. Retirement Plans (Continued)

The components of net periodic benefit cost for the Plan's fiscal years 2021 and 2020, are as follows:

	2021	2020
Interest cost	$ 999,461	$ 1,185,557
Expected return on plan assets	(1,475,350)	(1,466,673)
Amortization of actuarial loss	1,130,494	888,099
Amount recognized due to settlement	384,917	829,061
Net periodic benefit cost	$ 1,039,522	$ 1,436,044

Prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Gains and losses in excess of 10% of the greater of the benefit obligation and the market-related value of assets are amortized over the average remaining service period of active participants.

Expected contributions for the fiscal year ending June 30, 2022, are $348,941.

Estimated future benefit payments reflecting expected future service are as follows:

	Amount
Years ending June 30:	
2022	$ 2,184,591
2023	3,216,532
2024	2,233,459
2025	2,240,262
2026	2,445,571
2027 – 2031	10,606,808

The assumptions used in the measurement of CHS' benefit obligation are shown below:

	2021	2020
Weighted-average assumptions as of June 30:		
Discount rate	2.70%	2.60%
Expected return on plan assets	5.50%	5.50%
Rate of compensation increase	N/A	N/A

	2021	2020
Alternative amortization methods used to amortize:		
Prior service cost	Straight-line	Straight-line
Unrecognized net (gain) or loss	Straight-line	Straight-line
Measurement date used	June 30, 2021	June 30, 2020

Mortality assumption: As of June 30, 2021, the assumed mortality rates were based upon the Pri-2012 Mortality Table projected forward with Scale MP-2020. As of June 30, 2020, the assumed mortality rates were based upon the Pri-2012 Mortality Table projected forward with Scale MP-2019.

Note 11. Retirement Plans (Continued)

Additionally, CHS has a 403(b) thrift plan for eligible employees. Employees may make voluntary contributions up to the federal limits. For eligible employees employed by CHS for less than 10 years, CHS makes matching contributions equal to 50% of employee contributions up to 10% of included compensation. For eligible employees employed by CHS for 10 years or more, CHS makes matching contributions equal to 75% of employee contributions up to 10% of included compensation. Employer contributions vest at 100% after three years of service. Employer contributions were approximately $1,021,000 and $906,000, respectively, for the years ended June 30, 2021 and 2020.

CHS also has a 457(b) thrift plan for eligible employees. Eligible employees may make voluntary contributions from accumulated vacation pay in excess of 240 hours before deferral but limited each plan year to deferral contributions equal to no more than 80 hours of accumulated vacation pay. CHS makes non-elective contributions annually to the plan. Employer contributions are 100% vested upon contribution. There were no employer contributions during the years ended June 30, 2021 and 2020.

Note 12. Litigation

CHS is engaged in various legal proceedings incidental to its normal business activities. Such proceedings primarily consist of alleged discriminatory labor practices and alleged negligent professional services. While the results of this litigation cannot be predicted with certainty, CHS believes that the final outcome of all litigation will not have a material adverse effect on CHS' consolidated financial position or results of operations.

Note 13. Beneficial Interests

Beneficial interests consisted of the following at June 30, 2021 and 2020:

	2021	2020
Beneficial interest in the net assets of The Children's Home Society of Florida Foundation, Inc., reported on the equity method	$ 30,091,439	$ 24,973,845
Beneficial interest in assets held by others – Community Foundation of Tampa Bay, Inc., reported at fair value	-	794,195
	$ 30,091,439	$ 25,768,040

At June 30, 2021 and 2020, CHS's beneficial interest in the net assets of The Children's Home Society of Florida Foundation, Inc. (Foundation) was $30,091,439 and $24,973,845, respectively, which is included in the accompanying consolidated statements of financial position. The net assets with donor restrictions – restricted for specified purposes, change in beneficial interest in the net assets of the Foundation was $6,260,862 and $1,561,903, net of distributions to CHS of $1,082,644 and $999,543, for the years ended June 30, 2021 and 2020, respectively, which is included in the accompanying consolidated statements of activities. The net assets with donor restrictions – restricted in perpetuity change in beneficial interest in the net assets of the Foundation was ($60,624) and $0 for the years ended June 30, 2021 and 2020, respectively, which is included in the accompanying consolidated statements of activities.

Note 13. Beneficial Interests (Continued)

At June 30, 2020, CHS has a beneficial interest in assets held by the Community Foundation of Tampa Bay, Inc. (Community Foundation) in a charitable endowment fund known as the Children's Home Society of Florida Joshua House Fund. The Community Foundation was granted no variance power to redirect the use of the assets to another beneficiary. On an annual basis, the Community Foundation distributes net income from this fund to CHS as determined by the Community Foundation's spending policy. As of June 30, 2020, the endowment fund has a fair value of $794,195, which is included in the accompanying consolidated statements of financial position. The net assets with donor restrictions – restricted for specified purposes change in beneficial interest in assets held by others was ($97,920) for the year ended June 30, 2020, which is included in the accompanying consolidated statements of activities. There was no change in net assets with donor restrictions – restricted in perpetuity in the beneficial interest in assets held by others for the year ended June 30, 2020. During the year ended June 30, 2021, CHS sold the Joshua House property to an unrelated nonprofit organization whose mission is to continue operating the Joshua House program. As part of the sale of the Joshua House property, CHS transferred its beneficial interest in assets held by the Community Foundation of Tampa Bay, Inc.'s charitable endowment fund to this unrelated nonprofit organization. The transfer of CHS' beneficial interest in assets held by the Community Foundation of Tampa Bay, Inc.'s charitable endowment fund in the amount of $794,195 is included in the change in beneficial interests in the accompanying consolidated statements of activities.

Note 14. COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The extent to which COVID-19 impacts the operations of CHS in the future will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of COVID-19, the actions taken to contain COVID-19 or treat its impact, and the impact of each of these items on the economies and financial markets in the United States. In particular, the continued spread of COVID-19 could adversely impact CHS's operations, including among others, revenues, investment income and daily operations, and may have a material adverse effect on the financial condition, results of operations and cash flows of CHS.

RSM US LLP

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Audit Committee
The Children's Home Society of Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of The Children's Home Society of Florida and its subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements), and have issued our report thereon dated October 29, 2021.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered The Children's Home Society of Florida and its subsidiaries' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Children's Home Society of Florida and its subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of The Children's Home Society of Florida and its subsidiaries' 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.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

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

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

RSM US LLP

Orlando, Florida
October 29, 2021

The Children's Home Society of Florida

Federal Awards and Florida Single Audit
Compliance Report
June 30, 2021

Contents

Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*	1-2
Independent auditor's report on compliance for each major federal program and state financial assistance project; report on internal control over compliance; and report on schedule of expenditures of federal awards and state financial assistance required by the Uniform Guidance and State of Florida Chapter 10.650, *Rules of the Auditor General*	3-5
Schedule of expenditures of federal awards and state financial assistance	6-13
Notes to schedule of expenditures of federal awards and state financial assistance	14
Schedule of findings and questioned costs	15-16
Summary schedule of prior audit findings	17

RSM US LLP

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Audit Committee
The Children's Home Society of Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the consolidated financial statements of The Children's Home Society of Florida, which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements), and have issued our report thereon dated October 29, 2021.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered The Children's Home Society of Florida's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Children's Home Society of Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of The Children's Home Society of Florida'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.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

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

Purpose of This Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Children's Home Society of Florida'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 Children's Home Society of Florida's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Orlando, Florida
October 29, 2021

RSM US LLP

Report on Compliance for Each Major Federal Program and State Financial Assistance Project; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by The Uniform Guidance and State of Florida Chapter 10.650, *Rules of the Auditor General*

Independent Auditor's Report

Audit Committee
The Children's Home Society of Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project
We have audited The Children's Home Society of Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of The Children's Home Society of Florida's major federal programs and state financial assistance projects for the year ended June 30, 2021. The Children's Home Society of Florida's major federal programs and state financial assistance 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 awards and state financial assistance applicable to its federal programs and state financial assistance projects.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of The Children's Home Society of Florida's major federal programs and state financial assistance 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 the State of Florida Chapter 10.650, *Rules of the Auditor General*. Those standards, the Uniform Guidance and the State of Florida Chapter 10.650, *Rules of the Auditor General,* 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 financial assistance project occurred. An audit includes examining, on a test basis, evidence about The Children's Home Society of Florida'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 financial assistance project. However, our audit does not provide a legal determination on The Children's Home Society of Florida's compliance.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Opinion on Each Major Federal Program and State Financial Assistance Project
In our opinion, The Children's Home Society of Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended June 30, 2021.

Report on Internal Control Over Compliance
Management of The Children's Home Society of Florida is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Children's Home Society of Florida's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of Florida Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Children's Home Society of Florida's internal control over compliance.

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

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

Purpose of This Report
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State of Florida Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and State of Florida Chapter 10.650, *Rules of the Auditor General*

We have audited the consolidated financial statements of The Children's Home Society of Florida as of and for the year ended June 30, 2021, and have issued our report thereon dated October 29, 2021, which contained an unmodified opinion on those consolidated financial statements (collectively, the financial statements). Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and the State of Florida Chapter 10.650, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

RSM US LLP

Orlando, Florida
March 29, 2022

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2021

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	Federal ALN Number	Federal Expenditures
Federal Awards:			
U.S. Department of Agriculture:			
Child Nutrition Cluster:			
School Breakfast Program:			
Passed through Florida Department of Agriculture	18294	10.553	$ 29,493
National School Lunch Program:			
Passed through Florida Department of Agriculture	18294	10.555	41,137
Total U.S. Department of Agriculture (Child Nutrition Cluster)			70,630
U.S. Department of Justice:			
Crime Victim Assistance Program:			
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VB326	16.575	4,603
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VB233	16.575	59,218
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VB318	16.575	39,324
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VC714	16.575	12,647
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VC666	16.575	161,035
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VC710	16.575	86,054
Total U.S. Department of Justice			362,881
U.S. Department of Labor:			
WIOA Youth Activities Program (WIOA Cluster):			
Passed through CareerSource Escarosa	WIOA-2020-2021-01	17.259	332,782
Total U.S. Department of Labor (WIOA Cluster)			332,782
U.S. Department of Treasury:			
COVID-19: Coronavirus Relief Fund Program:			
Passed through Leon County Office of Human Services and Community Partnerships	B-21-099	21.019	19,938
Total U.S. Department of Treasury			19,938
U.S. Department of Education:			
Special Education Grants for Infants and Families Program:			
Passed through Florida Department of Health	COQZB	84.181	471,354
Total U.S. Department of Education			471,354
U.S. Department of Health and Human Services:			
Affordable Care Act Personal Responsibility Education Program:			
Direct – U.S. Department of Health and Human Services	90AP2680	93.092	416,160
Substance Abuse and Mental Health Services Projects of Regional and National Significance Program:			
Direct – U.S. Department of Health and Human Services	5U79SM063140	93.243	341,555

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2021

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	Federal ALN Number	Federal Expenditures
Federal Awards (Continued):			
U.S. Department of Health and Human Services (Continued):			
MaryLee Allen Promoting Safe and Stable Families Program:			
Passed through Big Bend Community Based Care, Inc.	0241	93.556	$ 78,978
Passed through Big Bend Community Based Care, Inc.	0256	93.556	4,073
Passed through ChildNet, Inc.	CHS19DCM – Palm Beach	93.556	52,745
Passed through ChildNet, Inc.	CHS20ADP	93.556	255,601
Passed through Citrus Family Care Network	19-09	93.556	148,307
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.556	156,153
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.556	308,833
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.556	180,041
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.556	60,107
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.556	362
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.556	623,927
Passed through Community Partnership for Children, Inc.	D12-20-CHS-FTP, D12-19-CHS-CPA, D12-19-CHS-VIS, D12-19-CHS-ILP	93.556	496,078
Passed through Communities Connected for Kids, Inc.	CCK 20-103, CCK 21-103	93.556	95,014
Passed through Communities Connected for Kids, Inc.	CCK 20-104	93.556	13,761
Passed through Family Support Services of North Florida, Inc.	SPE 021 CHS	93.556	207,114
Passed through Heartland for Children, Inc.	QCHCM1	93.556	5,758
Passed through Lakeview Center, Inc.	C-002-401	93.556	134,270
Passed through Lakeview Center, Inc.	C-002-601	93.556	414,175
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-31	93.556	76,507
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-11	93.556	78,364
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-35M	93.556	432,142
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-35	93.556	58,766
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-28	93.556	31,755
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-27	93.556	33,093
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-36	93.556	13,960
Program total			3,959,884
Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth Program:			
Direct – U.S. Department of Health and Human Services	90YO2379	93.557	169,222
Temporary Assistance for Needy Families Program:			
Passed through Big Bend Community Based Care, Inc.	0241	93.558	7,058
Passed through Big Bend Community Based Care, Inc.	0256	93.558	365,143
Passed through ChildNet, Inc.	CHS19DCM – Palm Beach	93.558	166,713
Passed through ChildNet, Inc.	CHS20ADP	93.558	8,832
Passed through Citrus Family Care Network	19-09	93.558	1,143,506
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.558	611,929
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.558	522,084
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.558	73,183
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.558	95,336
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.558	87,730
Passed through Community Partnership for Children, Inc.	D12-20-CHS-FTP, D12-19-CHS-CPA, D12-19-CHS-VIS, D12-19-CHS-ILP	93.558	36,557
Passed through Communities Connected for Kids, Inc.	CCK 20-103, CCK 21-103	93.558	10,211
Passed through Communities Connected for Kids, Inc.	CCK 20-104	93.558	418,128
Passed through Family Support Services of North Florida, Inc.	SPE 021 CHS	93.558	9,618
Passed through Heartland for Children, Inc.	QCHCM1	93.558	521,411

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2021

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	Federal ALN Number	Federal Expenditures
Federal Awards (Continued):			
U.S. Department of Health and Human Services (Continued):			
Temporary Assistance for Needy Families Program (Continued):			
Passed through Partnership for Strong Families, Inc.	PCM754/PNP928SC	93.558	$ 4
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-31	93.558	492,316
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-11	93.558	504,267
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-35	93.558	378,158
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-28	93.558	204,341
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-27	93.558	212,955
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-20-21-36	93.558	89,830
Program total			5,959,310
Grants to States for Access and Visitation Program:			
Passed through ChildNet, Inc.	CHS19DCM – Palm Beach	93.597	5,554
Passed through Citrus Family Care Network	19-09	93.597	8,331
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.597	30,452
Passed through Community Partnership for Children, Inc.	D12-20-CHS-FTP, D12-19-CHS-CPA, D12-19-CHS-VIS, D12-19-CHS-ILP	93.597	38,312
Passed through Lakeview Center, Inc.	C-002-201	93.597	13,772
Passed through Partnership for Strong Families, Inc.	PCM754/PNP928SC	93.597	32,792
Program total			129,213
Head Start Program (Head Start Cluster):			
Direct – U.S. Department of Health and Human Services	04CH011310	93.600	1,829,685
Direct – U.S. Department of Health and Human Services	04CH010417 / 04CH011980	93.600	1,567,032
Passed through Community Coordinated Care for Children, Inc.	04HP000129-02-00	93.600	73,053
Passed through Community Coordinated Care for Children, Inc.	04HP000129-03-00	93.600	25,577
Passed through Community Coordinated Care for Children, Inc.	04CH011019-02-00	93.600	113,654
Program total (Head Start Cluster)			3,609,001
Basic Center Grant Program:			
Direct – U.S. Department of Health and Human Services	90CY7236	93.623	135,043
Direct – U.S. Department of Health and Human Services	90CY7174	93.623	140,177
Program total			275,220
Stephanie Tubbs Jones Child Welfare Services Program:			
Passed through Big Bend Community Based Care, Inc.	0256	93.645	28,511
Passed through ChildNet, Inc.	CHS19DCM – Palm Beach	93.645	13,017
Passed through Citrus Family Care Network	19-09	93.645	104,658
Passed through Community Partnership for Children, Inc.	D12-20-CHS-FTP, D12-19-CHS-CPA, D12-19-CHS-VIS, D12-19-CHS-ILP	93.645	2,869
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.645	47,779
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.645	24,746
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.645	692
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.645	19,546
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.645	17,142
Passed through Communities Connected for Kids, Inc.	CCK 20-104	93.645	99,864
Passed through Family Support Services of North Florida, Inc.	SPE 021 CHS	93.645	421
Passed through Heartland for Children, Inc.	QCHCM1	93.645	40,237
Program total			399,482

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2021

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	Federal ALN Number	Federal Expenditures
Federal Awards (Continued):			
U.S. Department of Health and Human Services (Continued):			
Foster Care Title IV – E Program:			
Passed through Big Bend Community Based Care, Inc.	0241	93.658	$ 2,490
Passed through Big Bend Community Based Care, Inc.	0256	93.658	601,024
Passed through ChildNet, Inc.	CHS19DCM – Palm Beach	93.658	272,489
Passed through Children's Network of Southwest Florida, L.L.C.	BAR13	93.658	24,675
Passed through Citrus Family Care Network	19-09	93.658	1,732,435
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.658	911,078
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.658	733,351
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.658	102,687
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.658	262,596
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.658	287,562
Passed through Community Partnership for Children, Inc.	D12-20-CHS-FTP, D12-19-CHS-CPA, D12-19-CHS-VIS, D12-19-CHS-ILP	93.658	91,547
Passed through Communities Connected for Kids, Inc.	CCK22-220-OHC	93.658	4,007
Passed through Communities Connected for Kids, Inc.	CCK 20-104	93.658	771,428
Passed through Family Support Services of North Florida, Inc.	SPE 021 CHS	93.658	8,810
Passed through Heartland for Children, Inc.	QCHCM1	93.658	865,092
Passed through Partnership for Strong Families, Inc.	PCM754/PNP928SC	93.658	9,074
Program total			6,680,345
Adoption Assistance Program:			
Passed through Big Bend Community Based Care, Inc.	0241	93.659	179,334
Passed through Big Bend Community Based Care, Inc.	0256	93.659	35,547
Passed through ChildNet, Inc.	CHS19DCM – Palm Beach	93.659	16,229
Passed through ChildNet, Inc.	CHS20ADP	93.659	224,027
Passed through Citrus Family Care Network	19-09	93.659	319,310
Passed through Community Partnership for Children, Inc.	D12-20-CHS-FTP, D12-19-CHS-CPA, D12-19-CHS-VIS, D12-19-CHS-ILP	93.659	4,510
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.659	182,279
Passed through Embrace Families Community Based Care, Inc.	SEMOROS043-2023	93.659	93,428
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.659	863
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.659	9,352
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.659	28,700
Passed through Communities Connected for Kids, Inc.	CCK 20-103, CCK 21-103	93.659	255,902
Passed through Communities Connected for Kids, Inc.	CCK 20-104	93.659	50,959
Passed through Family Support Services of North Florida, Inc.	SPE 021 CHS	93.659	107,481
Passed through Heartland for Children, Inc.	QCHCM1	93.659	196,788
Passed through Partnership for Strong Families, Inc.	PCM754/PNP928SC	93.659	1,097
Program total			1,705,806

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2021

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	Federal ALN Number	Federal Expenditures
Federal Awards (Continued):			
U.S. Department of Health and Human Services (Continued):			
Social Services Block Grant Program:			
Passed through Citrus Family Care Network	19-09	93.667	$ 20,717
Passed through Community Partnership for Children, Inc.	D12-20-CHS-FTP, D12-19-CHS-CPA, D12-19-CHS-VIS, D12-19-CHS-ILP	93.667	2,104
Passed through Communities Connected for Kids, Inc.	CCK22-220-OHC	93.667	2,248
Passed through Florida Department of Health	CP114	93.667	329,414
Passed through Florida Department of Health	CP12B	93.667	236,840
Passed through Florida Department of Health	CP115	93.667	309,707
Passed through Heartland for Children, Inc.	QCHCM1	93.667	121
Passed through Kids First of Florida, Inc.	None	93.667	5,065
Passed through Lakeview Center, Inc.	C-002-201	93.667	217
Passed through Lakeview Center, Inc.	C-002-800	93.667	3,714
Passed through Lakeview Center, Inc.	C-002-401	93.667	1,150
Passed through Lakeview Center, Inc.	54-1-SVC	93.667	96
Passed through Partnership for Strong Families, Inc.	PCM754/PNP928SC	93.667	7,190
Program total			918,583
Child Abuse and Neglect State Grants Program:			
Passed through Heartland for Children, Inc.	QCHCM1	93.669	676
Passed through Community Partnership for Children, Inc.	D12-20-CHS-FTP, D12-19-CHS-CPA, D12-19-CHS-VIS, D12-19-CHS-ILP	93.669	12,036
Passed through Lakeview Center, Inc.	C-002-201	93.669	1,267
Passed through Lakeview Center, Inc.	C-002-800	93.669	21,740
Passed through Lakeview Center, Inc.	C-002-401	93.669	6,732
Passed through Lakeview Center, Inc.	54-1-SVC	93.669	560
Passed through Partnership for Strong Families, Inc.	PCM754/PNP928SC	93.669	3,384
Program total			46,395
John H. Chafee Foster Care Program for Successful Transition to Adulthood:			
Passed through Big Bend Community Based Care, Inc.	0256	93.674	185,322
Passed through ChildNet, Inc.	CHS19DCM – Palm Beach	93.674	13,761
Passed through Children's Network of Southwest Florida, L.L.C.	BAR13	93.674	289,009
Passed through Community Partnership for Children, Inc.	D12-20-CHS-FTP, D12-19-CHS-CPA, D12-19-CHS-VIS, D12-19-CHS-ILP	93.674	257,445
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.674	388,312
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.674	272,460
Passed through Heartland for Children, Inc.	QCHCM1	93.674	48,741
Program total			1,455,050

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2021

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	Federal ALN Number	Federal Expenditures
Federal Awards (Continued):			
U.S. Department of Health and Human Services (Continued):			
Medical Assistance Program (Medicaid Cluster):			
Passed through Citrus Family Care Network	19-09	93.778	$ 174,441
Passed through Healthy Start Coalition of Santa Rosa County, Inc.	HSC1920	93.778	126,818
Passed through Healthy Start of North Central Florida, Inc.	PUT-2021	93.778	103,128
Passed through The Healthy Start Coalition of Flagler & Volusia Counties, Inc.	HS-DS-19/20-07 R1	93.778	225,256
Program total (Medicaid Cluster)			629,643
Block Grants for Community Mental Health Services Program:			
Passed through Central Florida Cares Health System, Inc.	CHS21	93.958	404,856
Passed through Lutheran Services Florida, Inc.	ME053	93.958	15,590
Program total			420,446
Maternal and Child Health Services Block Grant to the States Program:			
Passed through The Healthy Start Coalition of Flagler & Volusia Counties, Inc.	HS-DS-19/20-07 R1	93.994	28,261
Passed through Healthy Start Coalition of Santa Rosa County, Inc.	HSSR1920 A1	93.994	4,922
Passed through Healthy Start of North Central Florida, Inc.	PUT-2021	93.994	86,597
Passed through Northeast Florida Healthy Start Coalition, Inc.	None	93.994	551,821
Program total			671,601
Total U.S. Department of Health and Human Services			27,786,916
Total expenditures of federal awards			29,044,501

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2021

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	State CSFA Number	State Expenditures
State Financial Assistance:			
Florida Department of Legal Affairs and Attorney General:			
Florida Network of Children's Advocacy Centers Program:			
Passed through Florida Network of Children's Advocacy Centers, Inc.	21/22-GR-CAC-05	41.031	$ 126,722
Passed through Florida Network of Children's Advocacy Centers, Inc.	21/22-GR-CAC-18	41.031	143,811
Total Florida Department of Legal Affairs and Attorney General			270,533
Florida Department of Education and Commissioner of Education:			
School and Instructional Enhancement Program:			
Passed through Heartland for Children, Inc.	QCHST1	48.040	12,811
Total Florida Department of Education and Commissioner of Education			12,811
Florida Department of Children and Families:			
Out-Of-Home Supports Program:			
Passed through ChildNet, Inc.	CHS19DCM – Palm Beach	60.074	589
Passed through ChildNet, Inc.	None	60.074	26,885
Passed through Citrus Family Care Network	19-09	60.074	1,132,574
Passed through Community Partnership for Children, Inc.	D12-20-CHS-FTP, D12-19-CHS-CPA, D12-19-CHS-VIS, D12-19-CHS-ILP	60.074	14,603
Passed through Family Support Services of North Florida, Inc.	SPE 021 CHS	60.074	7,771
Passed through Heartland for Children, Inc.	QCHCM1	60.074	44,576
Passed through Partnership for Strong Families, Inc.	PCM754/PNP928SC	60.074	10,361
Program total			1,237,359
Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program:			
Passed through Partnership for Child Health	CJREG-NCE-CHS-110120-043021	60.115	528
Florida Network Children's Advocacy Center Program:			
Passed through Florida Network of Children's Advocacy Centers, Inc.	20-21-DCF-CAC-18	60.124	6,583
CBC – Purchase of Therapeutic Services for Children Program:			
Passed through Citrus Family Care Network	19-09	60.183	26,675
Total Florida Department of Children and Families			1,271,145
Florida Department of Health:			
Medical Services for Abused and Neglected Children Program:			
Direct – Florida Department of Health	CP1TL	64.006	40,800
Direct – Florida Department of Health	CP114	64.006	411,904
Direct – Florida Department of Health	CP12B	64.006	178,955
Direct – Florida Department of Health	CP115	64.006	275,303
Program total			906,962
Children's Special Health Care — Developmental Evaluation Program:			
Direct – Florida Department of Health	COQZB	64.022	1,682,589
Healthy Start Coalitions Program:			
Passed through Healthy Start Coalition of Santa Rosa County, Inc.	HSSR1920 A1	64.131	155,866
Total Florida Department of Health			2,745,417

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2021

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	State CSFA Number	State Expenditures
State Financial Assistance (Continued):			
Florida Department of Highway Safety and Motor Vehicles:			
Child Abuse Prevention and Intervention License Plate Project Program:			
Direct – Florida Department of Highway Safety and Motor Vehicles	None	76.067	$ 77,349
Passed through Florida Network of Children's Advocacy Centers, Inc.	20-21-LPVC-CAC-05	76.067	3,098
Passed through Florida Network of Children's Advocacy Centers, Inc.	20-21-LPVC-CAC-18	76.067	4,152
Total Florida Department of Highway Safety and Motor Vehicles			84,599
Florida Department of Juvenile Justice:			
Children and Families in Need of Services Program:			
Passed through Florida Network of Youth and Family Services, Inc.	Osceola	80.005	204,014
Passed through Florida Network of Youth and Family Services, Inc.	Treasure Coast	80.005	947,713
Passed through Florida Network of Youth and Family Services, Inc.	West Palm Beach	80.005	978,026
Program total			2,129,753
Delinquency Prevention Program:			
Direct – Florida Department of Juvenile Justice	10563	80.029	54,945
Total Florida Department of Juvenile Justice			2,184,698
Total expenditures of state financial assistance			6,569,203
Total expenditures of federal awards and state financial assistance			$ 35,613,704

See notes to schedule of expenditures of federal awards and state financial assistance.

The Children's Home Society of Florida

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2021

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal award and state financial assistance project activity of The Children's Home Society of Florida, under programs of the federal government and the State of Florida for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Florida Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of The Children's Home Society of Florida, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Children's Home Society of Florida.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and cost principles established by the State of Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The Children's Home Society of Florida has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. Subrecipients

There were no federal awards or state financial assistance passed through to subrecipients by The Children's Home Society of Florida.

The Children's Home Society of Florida

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified?	____ Yes	X No	None Reported
Noncompliance material to financial statements noted?	____ Yes	X No	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified?	____ Yes	X None Reported	
Type of auditor's report issued on compliance for major federal programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	____ Yes	X No	

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
93.556	MaryLee Allen Promoting Safe and Stable Families Program
93.558	Temporary Assistance for Needy Families Program
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood
93.778	Medical Assistance Program (Medicaid Cluster)

Dollar threshold used to distinguish between type A and type B federal programs:	$ 871,335		
Auditee qualified as low-risk auditee?	X Yes	____ No	

(Continued)

The Children's Home Society of Florida

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

I – Summary of Auditor's Results (Continued)

State Financial Assistance Projects

Internal control over major programs:		
Material weakness(es) identified?	Yes	X No
Significant deficiency(ies) identified?	Yes	X None Reported
Type of auditor's report issued on compliance for major state financial assistance projects:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with State of Florida Chapter 10.650, *Rules of the Auditor General*?	Yes	X No

Identification of major programs:

CSFA Number(s)	Name of State Financial Assistance Project
64.022	Children's Special Health Care – Developmental Evaluation Program
80.005	Children and Families in Need of Services Program

Dollar threshold used to distinguish between type A and type B state financial assistance projects: $ 750,000

II – Financial Statement Findings

No matters to report.

III – Findings and Questioned Costs for Federal Awards and State Financial Assistance

No matters to report.

IV – Other Reporting

No Corrective Action Plan is presented because there were no findings required to be reported under the Federal Single Audit Act or the Florida Single Audit Act.

There was no management letter issued for the year ended June 30, 2021, as there were no matters required to be reported in this letter.

The Children's Home Society of Florida

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no unresolved findings exist from any previous years' single audits.