AMIkids, Inc. and Affiliates

COMBINED FINANCIAL STATEMENTS AND SCHEDULES

Year ended June 30, 2022
(With comparative information for 2021)



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
AMIkids, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements of AMIkids, Inc. and Affiliates (the "Organization"), which comprise the combined statement of financial position as of June 30, 2022, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of AMIkids, Inc. and Affiliates as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, Rules of the Auditor General, *Florida Single Audit Act Audits – Nonprofit and For-Profit Organizations*, and the other supplemental schedules as described in the table of contents, are presented for purposes of additional analysis and is not a required part of the combined

financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, including the schedule of expenditures of federal awards and state financial assistance, is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of AMIkids, Inc. and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering AMIkids, Inc. and Affiliates' internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the AMIkids, Inc. and Affiliates' 2021 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated October 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
December 15, 2022

AMIkids, Inc. and Affiliates
Combined Statements of Financial Position

June 30,	**2022**	2021
Assets		
Cash and cash equivalents	**$ 26,368,911**	$ 22,615,185
Investments	**3,383,645**	6,166,110
Accounts receivable:		
Funding agencies	**3,985,700**	4,133,038
Other	**669,621**	806,454
Contributions receivable	**404,313**	95,878
Prepaid expenses and other assets	**3,322,656**	1,950,017
Assets held for sale	**183,626**	183,626
Boat inventory	**2,146,382**	2,396,566
Boats under lease	**28,462,515**	27,206,537
Beneficial interest in assets held by others	**541,437**	1,275,948
Property and equipment, net	**12,596,387**	12,915,569
Total assets	**$ 82,065,193**	$ 79,744,928
Liabilities and Net Assets		
Liabilities:		
Lines of credit	**$ 5,030,010**	$ 4,750,000
Accounts payable	**1,260,519**	1,292,403
Accrued expenses	**8,667,757**	8,004,266
Accrued pension	**2,366,791**	2,353,878
Deferred revenues	**6,469,771**	7,854,716
Security deposits	**6,712,688**	6,189,375
Obligations under capital lease	**455,484**	673,727
Notes payable	**3,328,775**	2,882,004
Total liabilities	**34,291,795**	34,000,369
Net assets:		
Without donor restrictions	**41,859,798**	40,554,012
With donor restrictions	**5,913,600**	5,190,547
Total net assets	**47,773,398**	45,744,559
Total liabilities and net assets	**$ 82,065,193**	$ 79,744,928

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

AMIkids, Inc. and Affiliates
Combined Statements of Activities

For the years ended June 30,	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Summarized Total
Public support and revenue				
Federal support	**$ 5,151,649**	**$ -**	**$ 5,151,649**	$ 5,872,650
State support	**40,518,861**	**-**	**40,518,861**	40,648,325
Regional revenue	**5,803,474**	**-**	**5,803,474**	6,332,311
Nongovernmental	**278,249**	**-**	**278,249**	206,326
Service revenue	**1,317,287**	**-**	**1,317,287**	2,102,245
Contributions	**2,198,368**	**2,333,332**	**4,531,700**	5,626,482
Total public support	**55,267,888**	**2,333,332**	**57,601,220**	60,788,339
Revenue:				
Boat program	**22,090,887**	**-**	**22,090,887**	21,304,523
Investment income	**(439,842)**	**(55,047)**	**(494,889)**	746,726
Other	**164,695**	**-**	**164,695**	1,708,539
Total revenue	**21,815,740**	**(55,047)**	**21,760,693**	23,759,788
Net assets released from restrictions	**1,555,232**	**(1,555,232)**	**-**	-
Total public support and revenue	**78,638,860**	**723,053**	**79,361,913**	84,548,127
Expenses				
Program services	**52,866,092**	**-**	**52,866,092**	53,064,300
Boat program	**17,302,827**	**-**	**17,302,827**	16,023,585
Management and general	**6,696,383**	**-**	**6,696,383**	5,512,836
Fundraising	**467,772**	**-**	**467,772**	318,433
Total expenses	**77,333,074**	**-**	**77,333,074**	74,919,154
Change in net assets	**1,305,786**	**723,053**	**2,028,839**	9,628,973
Net assets, beginning of year	**40,554,012**	**5,190,547**	**45,744,559**	36,115,586
Net assets, end of year	**$ 41,859,798**	**$ 5,913,600**	**$ 47,773,398**	$ 45,744,559

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

AMIkids, Inc. and Affiliates
Combined Statements of Functional Expenses

	Program Services						Supporting Services					
For the years ended June 30,	Residential Treatment	Day Treatment	Family Services	Service Coordination	Other	Programs subtotal	Boat Program	Management and General	Fundraising	Support Services subtotal	2022 Total	2021 Summarized Total
Direct	$ 1,420,424	$ 1,526,841	$ 53,205	$ -	$ -	$ 3,000,470	$ 30,909	$ 5,509	$ 984	$ 37,402	$ 3,037,872	$ 2,348,224
Salary and Wages	12,889,248	10,511,875	2,405,257	378,064	-	26,184,444	677,158	2,435,816	277,602	3,390,576	29,575,020	30,528,878
Payroll Benefits	2,390,459	1,709,367	410,696	53,854	-	4,564,376	151,664	451,977	42,083	645,724	5,210,100	6,548,467
Payroll Taxes	977,328	803,462	169,896	24,952	-	1,975,638	45,292	175,166	20,502	240,960	2,216,598	2,299,619
Professional Fees	137,084	395,948	73,029	293	-	606,354	538,554	1,359,381	81,906	1,979,841	2,586,195	1,904,920
Grants Awarded Expense	15,192	49,941	-	5,037,866	-	5,102,999	-	-	-	-	5,102,999	5,646,164
Advertising and Promotion	6,215	72,147	252	20	-	78,634	27,470	34,522	93	62,085	140,719	144,307
Amortization	98,225	182,904	1,970	-	-	283,099	-	-	-	-	283,099	210,190
Bad Debt Expenses	-	-	-	-	-	-	-	31,916	-	31,916	31,916	4,612
Fundraising Fees	34,938	51,023	441	-	-	86,402	-	-	2,183	2,183	88,585	31,850
Conferences, Conventions, and Meetings	157,925	232,564	115,449	209	-	506,147	2,623	127,526	11,559	141,708	647,855	499,262
Depreciation	388,593	475,384	3,195	-	263,166	1,130,338	153,153	29,507	-	182,660	1,312,998	1,364,176
Facilities	695,541	269,969	95,225	8,333	-	1,069,068	-	58,395	-	58,395	1,127,463	957,622
Finance Charges	10	8	1	2	-	21	-	54,726	-	54,726	54,747	26,693
Insurance	1,228,938	1,197,293	257,906	29,285	2,539	2,715,961	425,665	326,392	-	752,057	3,468,018	2,980,685
Interest Expenses	-	-	-	-	-	-	133,962	168,645	3,711	306,318	306,318	449,096
Office Supplies	25,570	50,245	1,117	-	9,412	86,344	7,042	277,504	6,848	291,394	377,738	298,431
Other Expenses	661,520	610,574	67,598	11,297	1,401	1,352,390	408,290	260,751	10,840	679,881	2,032,271	1,288,689
Repairs and Maintenance	1,183,845	726,833	19,803	-	-	1,930,481	1,655,410	141,132	55	1,796,597	3,727,078	4,452,333
Taxes	2,625	3,851	-	-	2,731	9,207	1,222	4,897	-	6,119	15,326	-
Telecommunication	288,387	162,109	39,636	4,097	-	494,229	4,709	8,498	986	14,193	508,422	447,138
Travel Expenses	374,560	122,352	120,012	3,958	-	620,882	168,408	34,371	8,420	211,199	832,081	534,170
Utilities	666,012	394,172	7,451	973	-	1,068,608	12,689	33,453	-	46,142	1,114,750	1,026,900
Impairment in beneficial interest in assets held by others	-	-	-	-	-	-	-	676,299	-	676,299	676,299	-
Commissions	-	-	-	-	-	-	3,234,224	-	-	3,234,224	3,234,224	3,679,067
Dockage	-	-	-	-	-	-	426,614	-	-	426,614	426,614	265,682
Amortization or boats on charter	-	-	-	-	-	-	5,841,606	-	-	5,841,606	5,841,606	4,561,315
Cost of sales	-	-	-	-	-	-	3,356,163	-	-	3,356,163	3,356,163	2,420,664
Total Expenses	$ 23,642,639	$ 19,548,862	$ 3,842,139	$ 5,553,203	$ 279,249	$ 52,866,092	$ 17,302,827	$ 6,696,383	$ 467,772	$ 24,466,982	$ 77,333,074	$ 74,919,154

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

AMIkids, Inc. and Affiliates
Combined Statements of Cash Flows

For the years ended June 30,	**2022**	2021
Cash flows from operating activities:		
Change in net assets	**$ 2,028,839**	$ 9,628,973
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	**7,437,703**	6,135,674
Net loss/(gain) on disposal/impairment of property and equipment and assets held for sale	**(28,860)**	(1,186,582)
Donated boat inventory	**(10,325,163)**	(12,275,231)
Donated property and equipment	**(12,724)**	-
Realized and unrealized gain/(loss) on investments	**509,784**	(647,526)
Impairment in beneficial interest in assets held by others	**676,299**	-
(Increase) decrease in:		
Accounts receivable	**284,571**	100,504
Contributions receivable	**(308,435)**	242,193
Prepaid expenses and other assets	**650,627**	1,106,817
Boats under lease	**3,535,483**	1,192,547
Increase (decrease) in:		
Accounts payable	**(31,884)**	(1,655,233)
Accrued expenses	**663,491**	(9,073)
Accrued pension	**12,913**	270,084
Deferred revenues	**(1,384,945)**	2,360,649
Security deposits	**523,313**	2,841,450
Net cash and cash equivalents provided by operating activities	**4,231,012**	8,105,246
Cash flows from investing activities:		
Purchases of property and equipment	**(1,302,312)**	(1,871,761)
Proceeds from sale of property and equipment and assets held for sale	**75,180**	2,336,248
Proceeds from sale of investments	**7,588,121**	6,239,324
Purchases of investments	**(5,257,228)**	(6,208,562)
Net cash and cash equivalents provided by investing activities	**1,103,761**	495,249
Cash flows from financing activities:		
Net borrowings (repayments) on lines of credit	**280,010**	(100,000)
Proceeds from new borrowings from third parties	**-**	229,870
Payments on notes payable	**(1,576,495)**	(1,912,120)
Payments on capital lease obligations	**(284,562)**	(265,705)
Net cash and cash equivalents used in financing activities	**(1,581,047)**	(2,047,955)
Net increase in cash and cash equivalents	**3,753,726**	6,552,540
Cash and cash equivalents at beginning of year	**22,615,185**	16,062,645
Cash and cash equivalents at end of year	**$ 26,368,911**	$ 22,615,185
Cash paid for interest	**$ 306,318**	$ 272,614
Supplemental disclosure of noncash investing and financing activities:		
Capital lease obligation incurred for use of equipment	**$ 66,319**	$ 286,869
Insurance premium financing	**$ 2,023,266**	$ 1,389,830

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

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

Basis of Presentation

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

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

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

Use of Estimates

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

Cash and Cash Equivalents

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Investment Income

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

Beneficial Interest in Assets Held by Others

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

Accounts Receivable

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

Contributions Receivable

Unconditional promises to give the Organization in cash or other assets in the future are recorded as contribution revenue (with donor restriction) and contributions receivable. If management expects the cash from the contribution receivable to be received more than one year in the future, the contribution revenue and receivable are discounted for the time value of money (i.e., net present value) at a discount rate of 3.3% for 2022. Management estimates the allowance for uncollectible promises based on historical write-offs. Management writes off contributions receivable as identified.

In accordance with general accepted accounting principles, pledges are reported at net realizable value in the initial year and a discount is recorded. These pledges are not revalued in subsequent years and the Organization has not elected the fair value option. The discount amortization is recognized as contribution revenue in subsequent years.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Boat Inventory

Boat inventory represents boats held for lease which are valued at fair value less estimated selling expenses at the time of the donation. Boat inventory is recorded at net realizable value, as of June 30, 2022 and 2021, and was $2,146,382 and $2,396,566, respectively. Net realizable value is estimated based on third party appraisals, broker valuations, management's experience with the boat charter industry and estimated selling expenses are based on management's historical relationship with brokers. Net realizable values are reviewed quarterly by management and are reduced for impairment when necessary. Adjustments to net realizable values are recorded as a reduction in boat program revenue if the adjustment is made during the year of the donation and as an increase in boat program expense if made in subsequent years. Normal expenditures for repairs and maintenance of boats are expensed as incurred.

Boats under Lease

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

Future minimum lease payments due under operating leases during fiscal years 2023, 2024 and 2025 are approximately $4,956,000, $2,933,000 and $1,085,000, respectively. At June 30, 2022 and 2021, the unexercised purchase options were approximately $12,978,000 and $11,960,000, respectively. The gross value and accumulated amortization on leased property as of June 30, 2022 was $38,300,615 and $8,465,812, respectively. The net leased property of $28,462,515 includes $1,372,228 of unamortized commission. The gross value and accumulated amortization on leased property as of June 30, 2021 was approximately $40,014,912 and $12,808,375, respectively. The net leased property of approximately $27,206,537 includes $1,845,898 of unamortized commission. Amortization of boats under lease amounted to approximately $5,842,000 and $4,562,000 for the years ended June 30, 2022 and 2021, respectively. Amortization does not include the book value of boats optioned or sold to buyers, which was approximately $3,332,229 and $2,029,873 for the years ended June 30, 2022 and 2021, respectively.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

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

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

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

Assets Held for Sale

As of June 30, 2022 and 2021, the Organization intends to sell the following properties and has classified the net book value of the land, building and improvements as held for sale on the combined statement of financial position:

Institute	Property held for sale as of June 30,	2022	2021
Gainesville	Land, buildings and improvements	**$ 63,626**	$ 63,626
Virginia Wilderness	Land, buildings and improvements	**120,000**	120,000
		$ 183,626	$ 183,626

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets and Assets Held for Sale

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

Deferred Revenue

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

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

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

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

The Organization is using the PPP loan funds for its payroll and benefits costs, purposes consistent with the PPP. The Organization is uncertain about qualifications for forgiveness and, therefore, will delay recognition of the PPP loan as contribution revenue until it is forgiven. As of June 30, 2021, PPP loan funds are recorded as a deferred revenue on the combined statements of financial position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In 2022 and 2021, the Organization received SBA notification that $846,636 and $2,486,259, respectively, of PPP loan proceeds were forgiven. The Organization has reported the forgiveness as federal revenue on the combined statements of activates.

Use of Facilities

Facilities provided by a funding agency and other donors to an institute or school for use during the term of its contract are recorded as an in-kind contribution and rental expense in the financial statements in the period in which the facilities are utilized by the institute or school. The amounts recorded in each period of use by the institute or school represent the difference between the fair rental value of the facilities and the stated amount of the rent payments. The stated amount of the rent payments is generally zero. In-kind rental contributions and the related rental expense were approximately $425,000 and $425,000 for the years ended June 30, 2022 and 2021, respectively, and are reflected as contribution revenue and rent and utilities expense, respectively, in the accompanying combined financial statements.

Public Support and Revenue

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Amounts are reported in the financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by the individuals possessing those skills and would be typically purchased if not provided by donation. For the years ended June 30, 2022 and 2021, donated services were approximately $104,000 and $109,000, respectively.

Functional Allocation of Expenses

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

Income Taxes

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

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

Reclassifications

Certain items on the combining statements of activities and functional expense have been reclassified in the 2021 financial statements to agree to the current presentation. There was no impact to the change in net assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In February 2016, the FASB issued an accounting standard which requires the recognition of assets and liabilities arising from lease transactions on the statement of financial position and the disclosure of additional information about leasing arrangements. Under the new guidance, for all leases, interest expense and amortization of the right to use asset will be recorded for leases determined to be financing leases and straight-line lease expense will be recorded for leases determined to be operating leases. Lessees will initially recognize assets for the right to use the leased assets and liabilities for the obligations created by those leases. The new accounting standard must be adopted using a modified retrospective approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The accounting standard is effective for the Organization beginning with the year ended June 30, 2023, with early adoption permitted. The Organization is currently in the process of assessing what impact this new standard may have on its combined financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the combined financial statements were available to be issued, December 15, 2022 and determined there were no events that occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these combined financial statements.

NOTE 2: COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2021, from which the summarized information was derived.

NOTE 3: CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2022 are summarized as follows:

Expected receipt of contribution in:	
2023	$ 323,537
2024	48,000
2025	48,000
2026	3,000
Gross contributions receivable	422,537
Less allowance for doubtful accounts	(11,218)
Less discount for present value	(7,006)
Net contributions receivable	$ 404,313

NOTE 4: BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Board Designated Funds

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

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

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

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

Donor Restricted Funds (Continued)

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

The activity for the beneficial interest in assets held by others for the years ended June 30, 2022 and 2021 is the following:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2021			
Board designated funds	$ 709,933	$ -	$ 709,933
Donor restricted funds	-	566,015	566,015
Total	$ 709,933	$ 566,015	$ 1,275,948
June 30, 2022			
Board designated funds	**$ 90,284**	**$ -**	**$ 90,284**
Donor restricted funds	**-**	**451,153**	**451,153**
Total	**$ 90,284**	**$ 451,153**	**$ 541,437**

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2020	$ 592,488	$ 439,148	$ 1,031,636
Net appreciation (realized and unrealized)	117,445	126,867	244,312
June 30, 2021	709,933	566,015	1,275,948
Net depreciation (realized and unrealized)	**(14,757)**	**(54,336)**	**(69,093)**
Contributions	**1,926**	**8,955**	**10,881**
Impairment in beneficial interest in assets held by others	**(606,818)**	**(69,481)**	**(676,299)**
June 30, 2022	**$ 90,284**	**$ 451,153**	**$ 541,437**

Impairment in beneficial interest in assets held by others

There has been a significant limitation placed on the Organization in accessing the funds held at the Southwest Florida Community Foundation. This limitation on access to the funds has led the Organization to impair the asset associated with the funds held at the Southwest Florida Community Foundation. Using applicable GAAP the Organization has impaired the asset by $676,299 and this is reflected as an Impairment in beneficial interest in assets held by others on the Statement of Functional Expenses.

If the Southwest Florida Community Foundation funds are restored, the Organization will adjust the carrying value of the asset upward to reflect the amount of restored funds available to the Organization.

NOTE 5: FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Level 1 Fair Value Measurements:

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

Level 3 Fair Value Measurements:

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

NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

The following tables present the fair value of the investments recorded at fair value on a recurring basis, segregated amount the appropriate levels within the fair value hierarchy for the years ended June 30, 2022 and 2021, respectively:

		Fair Value Measurements at Reporting Date Using:		
June 30, 2022	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Investments				
Certificates of deposits	**$ 52,276**	**$ 52,276**	**$ -**	**$ -**
Pooled equity funds	**2,826,538**	**2,826,538**	**-**	**-**
Pooled fixed income funds	**94,563**	**94,563**	**-**	**-**
Equity securities	**410,268**	**410,268**	**-**	**-**
Total investments	**3,383,645**	**3,383,645**	**-**	**-**
Beneficial interest in assets held by others	**541,437**	**-**	**-**	**541,437**
Total	**$ 3,925,082**	**$ 3,383,645**	**$ -**	**$ 541,437**

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

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 and 2021 consist of:

	2022	2021
Land and permanent site improvements	**$ 3,362,460**	$ 3,317,810
Buildings and leasehold improvements	**20,027,961**	19,812,301
Furniture, fixtures and equipment	**7,020,805**	6,583,690
Motor vehicles	**2,485,213**	2,448,017
Boats, motors and trailers	**1,448,205**	1,562,602
Swimming pools	**474,634**	474,634
Software	**2,811,720**	2,280,516
Construction in progress	**2,282,730**	2,553,566
	39,913,728	39,033,136
Less accumulated depreciation and amortization	**(27,317,341)**	(26,117,567)
	$ 12,596,387	$ 12,915,569

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

NOTE 7: LINES OF CREDIT

Lines of credit at June 30, 2022 and 2021 consist of:

Entity		2022	2021
AMIkids, Inc.	Line of Credit, maximum principal amount of $3,000,000, bearing variable interest at the Secured Overnight Financing Rate (SOFR). (interest rate at June 30, 2022 and 2021 was 3.3% and 2.75%, respectively), expiring June 10, 2023,collateralized by government receivables, with carrying value of approximately $2,680,000.	**$ 280,010**	$ -
AMIkids, Inc.	Line of Credit, maximum principal amount of $8,000,000, bearing variable interest at the Secured Overnight Financing Rate (SOFR). (interest rate at June 30, 2022 and 2021 was 3.3% and 2.75%, respectively), expiring June 10, 2023, collateralized by vessel inventory and lease receivables with carrying value of approximately $24,226,000.	**4,750,000**	4,750,000
	Total Borrowings on Lines of Credit	**$ 5,030,010**	$ 4,750,000

NOTE 7: LINES OF CREDIT (Continued)

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

At June 30, 2022 and 2021, the Organization had a borrowing capacity of $11,000,000 under lines of credit subject to availability based on asset levels. The actual amount available based on assets levels as of June 30, 2022 and 2021 in excess of the amount utilized was approximately $5,134,000 and $6,250,000, respectively. The AMIkids, Inc. lines of credit contain restrictive financial covenants related to liquidity to modified debt ratio and the maintenance of minimum cash and marketable securities levels. The Organization was in compliance with these restrictive covenants as of and for the years ended June 30, 2022 and 2021.

NOTE 8: NOTES PAYABLE

Notes payable at June 30, 2022 and 2021 consists of:

Entity		2022	2021
AMIkids, Inc.	Mortgage payable bearing interest at 30 Day LIBOR index rate plus 2.05%; monthly installments of $13,889 plus interest, due February 2023, collateralized by real properties in Pinellas and Hillsborough Counties, with carrying value of approximately $369,000.	**$ 1,791,669**	$ 1,958,333
AMIkids, Inc.	Insurance premium financing bearing interest of 3.75%; monthly installments of $125,056 plus interest; paid in full during 2022.	**-**	496,281
AMIkids, Inc.	Insurance premium financing bearing interest of 3.95%; monthly installments of $59,605 plus interest; due April, 2023	**584,285**	-
AMIkids, Inc.	Insurance premium financing bearing interest of 3.75%; monthly installments of 143,898 plus interest; due November, 2023	**575,592**	-
Jacksonville	Mortgage payable in monthly principal installments of $3,927 plus interest of 4.15%, due March 2032, secured with real property, with carrying value of $587,000, and guaranteed by AMIkids, Inc.	**377,229**	407,820
Tampa	Note payable in monthly installments of $377, including interest at 6.33%, due December 2023, collateralized by vehicle with carrying value of approximately $-0-, paid in full during 2022.	**-**	10,117
Acadiana	Note payable in monthly installments of $713, including interest at 9.94%, due January 2022, collateralized by vehicle, with carrying value of $-0-, paid in full during 2022.	**-**	4,891
Acadiana	Note payable in monthly installments of $672, including interest at 5.84%, due January 2022, collateralized by vehicle, with carrying value of $-0-, paid in full during 2022.	**-**	4,562
	Total Notes Payable	**$ 3,328,775**	$ 2,882,004

NOTE 8: NOTES PAYABLE (Continued)

Principal payments on notes payable for years subsequent to June 30, 2022 are as follows:

Year ending June 30,	
2023	$ 2,983,730
2024	33,549
2025	34,968
2026	36,447
2027	37,989
Thereafter	202,092
	$ 3,328,775

NOTE 9: OBLIGATIONS UNDER CAPITAL LEASE

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

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

As of June 30,	**2022**	2021
Furniture, fixtures and equipment	**$ 5,440**	$ 69,734
Motor vehicles	**956,569**	956,569
	962,009	1,026,303
Less: accumulated depreciation	**(652,548)**	(375,384)
	$ 309,461	$ 650,919

Future minimum lease payments subsequent to June 30, 2022 are as follows:

Year ending June 30,	
2023	$ 289,072
2024	117,304
2025	72,559
2026	10,849
2027	1,518
Total minimum lease payments	491,302
Less amounts representing interest	(35,818)
Present value of minimum lease payments	$ 455,484

NOTE 10: ACCRUED EXPENSES

Accrued expenses at June 30, 2022 and 2021 consist of:

	2022	2021
Workers compensation self-funded reserve	**$ 2,216,514**	$ 2,925,235
Vehicle and other self-funded reserves	**1,422,530**	1,373,400
Medical self-funded reserve	**608,107**	500,000
Accrued payroll	**1,715,584**	1,216,960
Accrued vacation	**367,436**	419,071
Accrued severance and unemployment	**9,596**	8,108
Accrued boat program payments	**692,028**	723,512
Other accruals	**1,635,962**	837,980
	$ 8,667,757	$ 8,004,266

NOTE 11: RESTRICTIONS AND LIMITATIONS ON NET ASSETS

Net assets with donor restrictions consist of the following at June 30, 2022 and 2021:

	2022	2021
Education / Scholarship	**$ 2,265,020**	$ 2,205,898
Experiential Activities	**569,768**	406,797
Building / Equipment	**789,287**	216,810
Girls Initiative Program	**371,535**	371,534
Other	**1,183,712**	1,142,346
Endowment	**734,278**	847,162
	$ 5,913,600	$ 5,190,547

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

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

Net assets were released from donor restrictions by occurrence of events specified by donors as follows for the years ended June 30, 2022 and 2021.

	2022	2021
Education / Scholarship	**$ 534,615**	$ 761,206
Experiential Activities	**136,352**	7,753
Building / Equipment	**161,953**	175,362
The Girls Initiative	**-**	56,550
Other	**652,831**	270,535
Endowment	**69,481**	-
	$ 1,555,232	$ 1,271,406

NOTE 12: ENDOWMENTS

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

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

NOTE 12: ENDOWMENTS (Continued)

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

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

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

Endowment net asset composition by type of fund follows:

June 30,		**2022**		2021
Endowment funds with donor restrictions	**$**	**734,278**	$	847,162
Total endowment funds	**$**	**734,278**	$	847,162

NOTE 12: ENDOWMENTS (Continued)

Changes in endowment net assets follow:

June 30,	Without Donor Restrictions	With Donor Restrictions	2022	2021
Endowment net assets - July 1,	**$ -**	**$ 847,162**	**$ 847,162**	$ 496,238
Contributions	**-**	**-**	**-**	34,535
Investment (loss) income	**-**	**(55,047)**	**(55,047)**	130,099
Transfer of assets with donor restrictions to endowment	**-**	**-**	**-**	13,770
Distribution of net assets		**(69,481)**	**(69,481)**	172,520
Net asset transfer	**-**	**11,644**	**11,644**	-
Endowment net assets - June 30,	**$ -**	**$ 734,278**	**$ 734,278**	$ 847,162

NOTE 13: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

As of June 30,	**2022**
Cash and cash equivalents	**$ 26,368,911**
Investments	**3,383,645**
Accounts receivable	**4,655,321**
Contributions receivable	**323,537**
Boat lease payments	**22,094,118**
Beneficial Interest in Assets Held By Others	**541,437**
Total	**57,366,969**
Less: Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors	**(5,749,495)**
Boat lease payments	**(14,560,647)**
Collateral for insurance reserves	**(2,587,651)**
Financial assets available within one year to meet cash needs for general expenditures within one year	**$ 34,469,176**

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

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

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

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

NOTE 14: CASUALTY GAIN

The Organization recorded a casualty gain resulting from Hurricane Michael. The Organization filed an insurance claim and recorded approximately $-0- and $284,000 in insurance proceeds for the years ended June 30, 2022 and 2021, respectively, which is recorded in Revenue, Other in the combined statement of activities; no remediation costs for the years ended June 30, 2022 and 2021 were incurred.

NOTE 15: CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash with a financial institution in excess of the FDIC limit of $250,000 by approximately $6,360,000 and $7,025,000 at June 30, 2022 and 2021, respectively.

NOTE 16: COMMITMENTS AND CONTINGENCIES

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

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

NOTE 16: COMMITMENTS AND CONTINGENCIES (Continued)

AMIkids leases facilities under operating leases expiring in various years. Rent expense on these operating leases charged to operations for the years ended June 30, 2022 and 2021 was approximately $624,300 and $481,000, respectively. Based on the current operating leases, the annual lease expense is expected to increase in 2022 due to the full year of operations of AMIkids New Mexico as well as the expansion of the Sandoval program and is expected to remain consistent over the following four years. Typically there are no operating leases with terms greater than five years.

AMIkids receives donations of boats that are recorded at fair value less estimated selling expenses at the time of the donation. Management has estimated the net realizable value of the boat inventory at $2,146,382 and $2,396,566 at June 30, 2022 and 2021, respectively. Net realizable value is estimated based on third party appraisals, broker valuations, management's experience with the boat charter industry and estimated selling expenses are based on management's historical experiences with brokers. The actual net realizable value of the boats is not known until the boat is sold or leased.

AMIkids has purchased high-deductible policies for workers compensation and for vehicle and other property and casualty insurance and is responsible for all claims below the deductible level. Management has accrued approximately $3,928,000 and $4,299,000 at June 30, 2022 and 2021, respectively as an estimate of losses on unpaid claims under these insurance policies. These accruals are estimated based on current and historical claims experience. It is reasonably possible that these estimates will change and, if changed, could have a material impact on the Organization's financial position and results of operations. Under AMIkids' workers compensation and vehicle policies, the Organization has $1,812,651 held in a secured collateralized account to support these policies. An additional $775,000 is held as a deposit with the insurance carrier.

AMIkids is self-funded for group health insurance up to a maximum of $175,000 per employee. Management has accrued $500,000 at June 30, 2022 and 2021, for estimated claims, including known claims and claims which are estimated to have occurred but which have not yet been reported. This estimate is based on current and historical claims experience and other information obtained from AMIkids' insurance provider. It is reasonably possible that these estimates will change and, if changed, could have a material impact on the Organization's financial position and results of operations. Adjustments to the estimated claims accrual are made when the need for such adjustments becomes apparent.

NOTE 17: RETIREMENT PLANS

AMIkids maintains a noncontributory defined contribution pension plan covering all full-time employees who have completed two years of service and have attained the age of 20 ½ years. Contributions to the Plan are based on a percentage of each employee's total compensation for the year. The pension expense for the years ended June 30, 2022 and 2021 was approximately $1,562,000 and $1,644,000, respectively, and is included in employee benefits and payroll taxes on the combined statement of functional expenses.

AMIkids has a deferred compensation plan in place for certain key members of management, which is accrued for and included in accrued pension in the combined statement of financial position. The deferred compensation plan is generally funded on an annual basis and the related assets are included as a component of investments. The cost related to the deferred compensation plan for the years ended June 30, 2022 and 2021 was approximately $58,700 and $223,900, respectively.

NOTE 18: RELATED PARTY TRANSACTIONS

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

AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position
June 30, 2022

	AMIkids	AMIkids Foundation	AMIkids Acadiana	AMIkids Alabama	AMIkids Baton Rouge	AMIkids Beaufort	AMIkids Behavior Health	AMIkids Bennettsville	AMIkids Caddo	AMIkids Clay County
Assets										
Cash and cash equivalents	$ 6,610,842	$ 8,636,887	$ 136,797	$ 51,075	$ 283,149	$ 664,882	$ 113,772	$ 287,287	$ 249,632	$ 471,519
Investments	567,854	1,606,406	-	-	52,276	-	-	-	-	-
Accounts receivable:										
Funding agencies	601,344	-	137,436	36,146	66,432	7,788	-	6,760	33,003	73,494
Other	(490,969)	-	(5,011)	(17,563)	-	110,996	-	115,104	-	(3,158)
Contributions receivable	-	275,238	-	-	-	71,108	-	-	-	-
Prepaid expenses and other assets	2,748,649	-	13,030	1,323	7,018	41,325	791	2,419	1,710	14,668
Due from affiliates	25,407,541	-	43,923	966	16,507	28,371	84,250	-	917	6,092
Assets held for sale	-	-	-	-	-	-	-	-	-	-
Boat inventory	2,131,850	-	-	-	-	6,858	-	-	-	-
Boats under lease	28,462,515	-	-	-	-	-	-	-	-	-
Beneficial interest in assets held by others	-	451,153	-	-	-	-	-	-	-	-
Property and equipment, net	2,656,151	-	34,855	-	322,733	649,034	1,342	39,971	11,072	72,895
Total assets	$ 68,695,777	$ 10,969,684	$ 361,030	$ 71,947	$ 748,115	$ 1,580,362	$ 200,155	$ 451,541	$ 296,334	$ 635,510
Liabilities and Net Assets										
Liabilities:										
Lines of credit	$ 5,030,010	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	331,263	110	18,537	1,825	13,116	35,063	10,646	20,269	1,369	31,815
Accrued expenses	11,142,950	2,828	63,585	7,630	24,860	65,961	44,074	61,718	55,561	36,243
Accrued pension	2,317,584	-	1,764	69	504	2,306	1,490	1,498	1,625	1,417
Due to Affiliates	424,275	5,861,092	61,928	(7,971)	28,765	40,764	20,995	39,576	39,394	41,555
Deferred revenues	4,897,873	-	13,348	-	-	14,597	-	-	-	-
Security deposits	6,712,688	-	-	-	-	-	-	-	-	-
Obligations under capital lease	-	-	-	-	5,987	5,452	-	-	11,741	50,532
Notes payable	2,951,543	-	1,875,669	70,000	409,434	-	-	1,137,610	705,300	408,104
Total liabilities	33,808,186	5,864,030	2,034,831	71,553	482,666	164,143	77,205	1,260,671	814,990	569,666
Net assets:										
Without donor restrictions	34,629,302	1,052,423	(1,701,310)	394	93,367	1,253,623	117,569	(809,330)	(526,615)	62,844
With donor restrictions	258,289	4,053,231	27,509	-	172,082	162,596	5,381	200	7,959	3,000
Total net assets	34,887,591	5,105,654	(1,673,801)	394	265,449	1,416,219	122,950	(809,130)	(518,656)	65,844
Total liabilities and net assets	$ 68,695,777	$ 10,969,684	$ 361,030	$ 71,947	$ 748,115	$ 1,580,362	$ 200,155	$ 451,541	$ 296,334	$ 635,510

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AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position (Continued)
June 30, 2022

	AMIkids Duval	AMIkids Emerald Coast	AMIkids Family Services	AMIkids Gadsden Center for Academic Discipline	AMIkids Gainesville	AMIkids Gateways	AMIkids Georgetown	AMIkids Georgia	AMIkids Georgia Properties	AMIkids Greater Ft. Lauderdale
Assets										
Cash and cash equivalents	$ 16,929	$ 72,457	$ 35,606	$ 264,460	$ 77,666	$ 309,230	$ 107,278	$ -	$ -	$ 303,034
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable:										
Funding agencies	138,730	15,607	40,077	53,075	68,277	-	10,870	-	-	96,531
Other	-	-	(22,746)	-	7,348	92,952	107,383	-	-	2,340
Contributions receivable	-	-	-	-	-	-	-	-	-	1,081
Prepaid expenses and other assets	15,801	3,122	7,528	4,495	20,715	2,127	2,067	-	-	11,789
Due from affiliates	-	5,000	16,462	14,297	8,190	11,156	98,288	17,201	-	8,448
Assets held for sale	-	-	-	-	63,626	-	-	-	-	-
Boat inventory	-	-	-	-	-	-	-	-	-	1,845
Boats under lease	-	-	-	-	-	-	-	-	-	-
Beneficial interest in assets held by others	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	-	15,029	-	9,331	53,302	57,571	275,725	-	1,905,481	65,814
Total assets	$ 171,460	$ 111,215	$ 76,927	$ 345,658	$ 299,124	$ 473,036	$ 601,611	$ 17,201	$ 1,905,481	$ 490,882
Liabilities and Net Assets										
Liabilities:										
Lines of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	3,298	1,429	5,240	9,333	8,559	4,248	18,420	-	-	5,741
Accrued expenses	16,264	11,755	21,530	15,560	29,969	45,381	51,289	-	928	31,387
Accrued pension	66	570	581	437	592	1,324	2,281	-	-	1,111
Due to Affiliates	13,588	2,898	10,235	20,547	41,063	105,715	41,511	-	9,220	45,938
Deferred revenues	-	12,973	27,282	58,057	280,777	-	18,497	-	-	127,354
Security deposits	-	-	-	-	-	-	-	-	-	-
Obligations under capital lease	-	-	-	9,931	34,673	33,451	-	-	-	35,058
Notes payable	326,500	695,468	-	-	1,223,488	-	8,000	-	301,140	519,289
Total liabilities	359,716	725,093	64,868	113,865	1,619,121	190,119	139,998	-	311,288	765,878
Net assets:										
Without donor restrictions	(188,256)	(688,552)	12,059	231,793	(1,332,476)	282,917	449,999	17,201	1,594,193	(446,773)
With donor restrictions	-	74,674	-	-	12,479	-	11,614	-	-	171,777
Total net assets	(188,256)	(613,878)	12,059	231,793	(1,319,997)	282,917	461,613	17,201	1,594,193	(274,996)
Total liabilities and net assets	$ 171,460	$ 111,215	$ 76,927	$ 345,658	$ 299,124	$ 473,036	$ 601,611	$ 17,201	$ 1,905,481	$ 490,882

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AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position (Continued)
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	AMIkids Infinity Marlboro	AMIkids Infinity Wake County	AMIkids Jacksonville	AMIkids Louisiana Properties	AMIkids Manatee	AMIkids Miami-Dade	AMIkids New Mexico	AMIkids New Mexico Properties	AMIkids North Carolina Family Services	AMIkids North Carolina Properties
Assets										
Cash and cash equivalents	$ 23,254	$ 212,472	$ 131,887	$ -	$ 805,990	$ 354,827	$ 61,509	$ -	$ 867,885	$ -
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable:										
Funding agencies	46,486	35,655	79,618	-	171,200	230,329	32,752	-	203,828	-
Other	-	-	2,476	-	(48,460)	5,335	-	-	-	-
Contributions receivable	-	-	56,886	-	-	-	-	-	-	-
Prepaid expenses and other assets	326	552	21,972	-	6,001	20,511	25,016	-	38,009	-
Due from affiliates	7,525	-	12,844	926,695	3,091	396,583	36,397	827,584	2,149,315	-
Assets held for sale	-	-	-	-	-	-	-	-	-	-
Boat inventory	-	-	-	-	-	-	-	-	-	-
Boats under lease	-	-	-	-	-	-	-	-	-	-
Beneficial interest in assets held by others	-	-	-	-	90,284	-	-	-	-	-
Property and equipment, net	-	-	590,424	770,925	92,820	26,193	-	-	6,643	296,000
Total assets	$ 77,591	$ 248,679	$ 896,107	$ 1,697,620	$ 1,120,926	$ 1,033,778	$ 155,674	$ 827,584	$ 3,265,680	$ 296,000
Liabilities and Net Assets										
Liabilities:										
Lines of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	716	398	18,195	-	8,059	18,740	24,954	-	39,686	-
Accrued expenses	12,141	20,498	36,473	928	36,317	73,902	12,816	928	75,173	3,359
Accrued pension	652	1,060	881	-	1,343	2,106	-	-	3,023	-
Due to Affiliates	831	12,244	37,834	71	85,403	65,594	8,946	71	64,576	14,669
Deferred revenues	-	-	13,428	-	102,788	162,776	-	-	-	2,826
Security deposits	-	-	-	-	-	-	-	-	-	-
Obligations under capital lease	-	-	28,238	-	-	15,139	-	-	-	-
Notes payable	-	72,000	745,876	-	-	-	95,000	-	-	282,883
Total liabilities	14,340	106,200	880,925	999	233,910	338,257	141,716	999	182,458	303,737
Net assets:										
Without donor restrictions	58,774	137,780	(241,113)	1,696,621	848,865	430,074	13,958	826,585	3,083,222	(7,737)
With donor restrictions	4,477	4,699	256,295	-	38,151	265,447	-	-	-	-
Total net assets	63,251	142,479	15,182	1,696,621	887,016	695,521	13,958	826,585	3,083,222	(7,737)
Total liabilities and net assets	$ 77,591	$ 248,679	$ 896,107	$ 1,697,620	$ 1,120,926	$ 1,033,778	$ 155,674	$ 827,584	$ 3,265,680	$ 296,000

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AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position (Continued)
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	AMIkids Orlando	AMIkids Panama City Marine Institute	AMIkids Pasco	AMIkids Pensacola	AMIkids Piedmont	AMIkids Pinellas	AMIkids Rio Grande Valley	AMIkids Sand Hills	AMIkids Sandoval	AMIkids Sarasota County
Assets										
Cash and cash equivalents	$ 382,605	$ 526,200	$ -	$ 199,508	$ 717,728	$ 206,939	$ 426,141	$ 141,504	$ 89,910	$ -
Investments	-	-	-	-	-	746,842	-	-	-	-
Accounts receivable:										
Funding agencies	69,001	32,888	-	171,931	16,125	27,786	74,102	4,002	136,406	-
Other	1,167	130,151	-	99,878	117,683	-	(1,746)	110,997	59,724	-
Contributions receivable	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	9,500	26,104	-	40,983	6,919	2,546	9,761	3,908	121,237	-
Due from affiliates	57,361	155,476	29,145	40,058	13,586	689	21,291	7,638	8,270	73,844
Assets held for sale	-	-	-	-	-	-	-	-	-	-
Boat inventory	-	5,829	-	-	-	-	-	-	-	-
Boats under lease	-	-	-	-	-	-	-	-	-	-
Beneficial interest in assets held by others	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	72,617	2,911,196	-	360,750	77,500	218	18,713	53,705	238,055	-
Total assets	$ 592,251	$ 3,787,844	$ 29,145	$ 913,108	$ 949,541	$ 985,020	$ 548,262	$ 321,754	$ 653,602	$ 73,844
Liabilities and Net Assets										
Liabilities:										
Lines of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	30,059	35,367	-	45,123	24,444	988	19,701	37,348	47,482	-
Accrued expenses	44,754	26,827	-	109,883	54,971	17,658	39,973	50,840	80,962	-
Accrued pension	1,366	889	-	1,716	1,546	-	1,026	1,419	774	-
Due to Affiliates	42,486	15,391	-	59,570	30,508	(19,078)	47,027	38,023	173,112	-
Deferred revenues	175,836	6,250	-	41,225	2,469	-	2,984	20,600	-	-
Security deposits	-	-	-	-	-	-	-	-	-	-
Obligations under capital lease	8,554	-	-	22,479	29,099	-	10,674	11,248	89,090	-
Notes payable	265,873	-	-	126,859	-	-	3,831,122	860,510	5,986,157	-
Total liabilities	568,928	84,724	-	406,855	143,037	(432)	3,952,507	1,019,988	6,377,577	-
Net assets:										
Without donor restrictions	(91,312)	3,579,916	-	447,099	802,597	982,900	(3,544,178)	(698,234)	(5,728,935)	73,844
With donor restrictions	114,635	123,204	29,145	59,154	3,907	2,552	139,933	-	4,960	-
Total net assets	23,323	3,703,120	29,145	506,253	806,504	985,452	(3,404,245)	(698,234)	(5,723,975)	73,844
Total liabilities and net assets	$ 592,251	$ 3,787,844	$ 29,145	$ 913,108	$ 949,541	$ 985,020	$ 548,262	$ 321,754	$ 653,602	$ 73,844

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AMIkids, Inc. and Affiliates
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	AMIkids Savannah River	AMIkids South Carolina Statewide	AMIkids Southwest Florida	AMIkids Space Coast	AMIkids St. Louis	AMIkids Tallahassee	AMIkids Tampa	AMIkids Virginia	AMIkids Virginia Wilderness	AMIkids Volusia
Assets										
Cash and cash equivalents	$ 39,474	$ -	$ 50,328	$ 115,480	$ -	$ 290,262	$ 480,984	$ 156,363	$ -	$ 93,792
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable:										
Funding agencies	75,166	-	14,230	125,353	-	42,710	86,897	598,423	-	66,119
Other	-	-	(39)	3,994	-	-	4,114	49,790	-	3,913
Contributions receivable	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	8,829	-	1,673	15,343	-	1,767	7,800	1,004	580	21,212
Due from affiliates	-	1,064	13,934	32,709	-	1,500	30,524	344,754	-	10,740
Assets held for sale	-	-	-	-	-	-	-	-	120,000	-
Boat inventory	-	-	-	-	-	-	-	-	-	-
Boats under lease	-	-	-	-	-	-	-	-	-	-
Beneficial interest in assets held by others	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	35,613	-	38,660	315,200	-	109,236	172,274	48,400	-	18,087
Total assets	$ 159,082	$ 1,064	$ 118,786	$ 608,079	$ -	$ 445,475	$ 782,593	$ 1,198,734	$ 120,580	$ 213,863
Liabilities and Net Assets										
Liabilities:										
Lines of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	26,416	-	2,933	39,784	-	8,406	8,513	205,760	1,686	10,385
Accrued expenses	51,550	-	7,644	60,841	-	10,803	57,950	416,822	100	28,739
Accrued pension	1,449	-	-	1,855	-	-	1,986	1,054	-	878
Due to Affiliates	45,806	52	(1,313)	70,503	-	20,440	37,759	8,875	5,684	38,238
Deferred revenues	-	-	4,610	-	-	231,477	67,433	-	-	175,406
Security deposits	-	-	-	-	-	-	-	-	-	-
Obligations under capital lease	-	-	-	-	-	-	3,190	-	-	19,270
Notes payable	2,301,061	-	221,377	15,000	-	317,952	-	-	272,165	500,957
Total liabilities	2,426,282	52	235,251	187,983	-	589,078	176,831	632,511	279,635	773,873
Net assets:										
Without donor restrictions	(2,268,239)	(53)	(126,357)	344,683	(21,829)	(145,653)	477,930	566,223	(159,055)	(566,421)
With donor restrictions	1,039	1,065	9,892	75,413	21,829	2,050	127,832	-	-	6,411
Total net assets	(2,267,200)	1,012	(116,465)	420,096	-	(143,603)	605,762	566,223	(159,055)	(560,010)
Total liabilities and net assets	$ 159,082	$ 1,064	$ 118,786	$ 608,079	$ -	$ 445,475	$ 782,593	$ 1,198,734	$ 120,580	$ 213,863

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Schedule I
Combining Schedule - Statement of Financial Position (Continued)
June 30, 2022

	AMIkids White Pines	AMIkids YES	South Carolina Wilderness Institute	Total Before Eliminations	Eliminations	Total
Assets						
Cash and cash equivalents	$ 923,576	$ 377,791	$ -	$ 26,368,911	$ -	$ 26,368,911
Investments	-	410,267	-	3,383,645	-	3,383,645
Accounts receivable:						
Funding agencies	10,246	248,877	-	3,985,700	-	3,985,700
Other	227,616	6,352	-	669,621	-	669,621
Contributions receivable	-	-	-	404,313	-	404,313
Prepaid expenses and other assets	11,123	21,403	-	3,322,656	-	3,322,656
Due from affiliates	18,505	58,929	-	31,047,660	(31,047,660)	-
Assets held for sale	-	-	-	183,626	-	183,626
Boat inventory	-	-	-	2,146,382	-	2,146,382
Boats under lease	-	-	-	28,462,515	-	28,462,515
Beneficial interest in assets held by others	-	-	-	541,437	-	541,437
Property and equipment, net	13,899	55,953	103,000	12,596,387	-	12,596,387
Total assets	$ 1,204,965	$ 1,179,572	$ 103,000	$ 113,112,853	$ (31,047,660)	$ 82,065,193
Liabilities and Net Assets						
Liabilities:						
Lines of credit	$ -	$ -	$ -	$ 5,030,010	$ -	$ 5,030,010
Accounts payable	50,523	33,924	-	1,259,871	648	1,260,519
Accrued expenses	105,759	137,371	928	13,306,383	(4,638,626)	8,667,757
Accrued pension	4,021	2,528	-	2,366,791	-	2,366,791
Due to Affiliates	52,104	44,622	9,073	7,850,209	(7,850,209)	-
Deferred revenues	8,905	-	-	6,469,771	-	6,469,771
Security deposits	-	-	-	6,712,688	-	6,712,688
Obligations under capital lease	-	31,678	-	455,484	-	455,484
Notes payable	-	-	-	26,526,337	(23,197,562)	3,328,775
Total liabilities	221,312	250,123	10,001	69,977,544	(35,685,749)	34,291,795
Net assets:						
Without donor restrictions	932,993	875,746	92,999	36,778,065	5,081,733	41,859,798
With donor restrictions	50,660	53,703	-	6,357,244	(443,644)	5,913,600
Total net assets	983,653	929,449	92,999	43,135,309	4,638,089	47,773,398
Total liabilities and net assets	$ 1,204,965	$ 1,179,572	$ 103,000	$ 113,112,853	$ (31,047,660)	$ 82,065,193

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities
Year ended June 30, 2022

	AMIkids	AMIkids Foundation	AMIkids Acadiana	AMIkids Alabama	AMIkids Baton Rouge	AMIkids Beaufort	AMIkids Behavior Health	AMIkids Bennettsville	AMIkids Caddo	AMIkids Clay County
Public Support and revenue:										
Federal support	$ 878,952	$ -	$ 389,283	$ 24,647	$ 341,936	$ 396,937	$ -	$ 39,382	$ 53,882	$ -
State support	4,352,586	-	1,411,443	122,918	309,313	1,331,950	-	1,381,250	-	709,444
Regional revenue	41,847	-	125,139	-	-	-	-	-	1,578,383	361,573
Nongovernmental	20,000	-	-	-	-	-	-	-	-	-
Service revenue	1,997,188	-	-	-	-	-	965,574	-	-	-
Contributions	576,791	1,779,188	26,716	460	90,332	466,237	9,080	84,052	37,099	56,884
Total Public Support	7,867,364	1,779,188	1,952,581	148,025	741,581	2,195,124	974,654	1,504,684	1,669,364	1,127,901
Revenue										
Boat Program	22,090,887	-	-	-	-	-	-	-	-	-
Investment income (loss)	357,787	(194,322)	-	-	79	-	-	-	-	-
Other	68,933	-	8	-	13	-	-	500	121	10,050
Total revenue	22,517,607	(194,322)	8	-	92	-	-	500	121	10,050
Total public support and revenue	30,384,971	1,584,866	1,952,589	148,025	741,673	2,195,124	974,654	1,505,184	1,669,485	1,137,951
Expenses:										
Program Services	4,681,542	1,369,621	1,978,849	188,093	654,909	1,711,410	912,484	1,333,882	1,804,701	936,329
Boat Program	17,284,432	-	-	-	-	-	-	-	-	-
Management and general	5,249,812	117,172	80,134	6,209	34,490	42,197	12,813	53,649	129,468	41,145
Fundraising	465,589	-	-	-	-	-	-	52	-	-
Total expense	27,681,375	1,486,793	2,058,983	194,302	689,399	1,753,607	925,297	1,387,583	1,934,169	977,474
Change in Net assets	2,703,596	98,073	(106,394)	(46,277)	52,274	441,517	49,357	117,601	(264,684)	160,477
Net assets (deficit), beginning of the year	32,183,995	5,007,581	(1,567,407)	46,671	213,175	974,702	73,593	(926,731)	(253,972)	(94,633)
Net assets (deficit), end of the year	$ 34,887,591	$ 5,105,654	$ (1,673,801)	$ 394	$ 265,449	$ 1,416,219	$ 122,950	$ (809,130)	$ (518,656)	$ 65,844

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2022

	AMIkids Duval	AMIkids Emerald Coast	AMIkids Family Services	AMIkids Gadsden Center for Academic Discipline	AMIkids Gainesville	AMIkids Gateways	AMIkids Georgetown	AMIkids Georgia	AMIkids Georgia Properties	AMIkids Greater Ft. Lauderdale
Public Support and revenue:										
Federal support	$ -	$ 107,383	$ -	$ 98,410	$ 47,104	$ -	$ 111,923	$ -	$ -	$ 38,514
State support	-	-	264,288	412,353	789,403	1,116,900	1,288,600	-	-	749,103
Regional revenue	452,259	51,107	-	-	103,136	-	-	-	-	145,992
Nongovernmental	-	33,627	-	3,000	-	-	-	-	-	-
Service revenue	-	-	3,750	-	-	-	-	-	-	-
Contributions	13,097	142,880	163,044	1,998	25,946	4,932	36,693	-	-	27,435
Total Public Support	465,356	334,997	431,082	515,761	965,589	1,121,832	1,437,216	-	-	961,044
Revenue										
Boat Program	-	-	-	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	77	-	31	12	-	24
Other	2	-	-	19	5	1,838	-	-	-	-
Total revenue	2	-	-	19	82	1,838	31	12	-	24
Total public support and revenue	465,358	334,997	431,082	515,780	965,671	1,123,670	1,437,247	12	-	961,068
Expenses:										
Program Services	538,543	254,580	434,054	496,314	986,701	919,551	1,366,936	-	86,210	990,177
Boat Program	-	-	-	-	-	-	-	-	-	-
Management and general	41,529	32,616	6,082	11,772	56,582	23,355	27,619	-	9,220	35,011
Fundraising	-	-	-	-	-	52	-	-	-	-
Total expense	580,072	287,196	440,136	508,086	1,043,283	942,958	1,394,555	-	95,430	1,025,188
Change in Net assets	(114,714)	47,801	(9,054)	7,694	(77,612)	180,712	42,692	12	(95,430)	(64,120)
Net assets (deficit), beginning of the year	(73,542)	(661,679)	21,113	224,099	(1,242,385)	102,205	418,921	17,189	1,689,623	(210,876)
Net assets (deficit), end of the year	$ (188,256)	$ (613,878)	$ 12,059	$ 231,793	$ (1,319,997)	$ 282,917	$ 461,613	$ 17,201	$ 1,594,193	$ (274,996)

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2022

	AMIkids Infinity Marlboro	AMIkids Infinity Wake County	AMIkids Jacksonville	AMIkids Louisiana Properties	AMIkids Manatee	AMIkids Miami-Dade	AMIkids New Mexico	AMIkids New Mexico Properties	AMIkids North Carolina Family Services	AMIkids North Carolina Properties
Public Support and revenue:										
Federal support	$ -	$ -	$ 62,686	$ -	$ -	$ 148,289	$ -	$ -	$ -	$ -
State support	-	-	831,683	-	549,571	1,626,693	-	-	2,589,813	-
Regional revenue	278,915	427,860	135,274	-	359,405	163,210	321,493	-	-	-
Nongovernmental	-	34,134	-	-	-	106,488	-	-	-	-
Service revenue	-	-	-	-	-	-	-	-	-	-
Contributions	5,007	22,153	152,855	-	50,925	123,606	212	-	5,223	-
Total Public Support	283,922	484,147	1,182,498	-	959,901	2,168,286	321,705	-	2,595,036	-
Revenue										
Boat Program	-	-	-	-	-	-	-	-	-	-
Investment income (loss)	-	-	10	12,763	(12,130)	170	-	20,793	858	-
Other	7	-	-	140,000	316	574	-	-	-	33,909
Total revenue	7	-	10	152,763	(11,814)	744	-	20,793	858	33,909
Total public support and revenue	283,929	484,147	1,182,508	152,763	948,087	2,169,030	321,705	20,793	2,595,894	33,909
Expenses:										
Program Services	325,534	394,568	1,195,231	94,915	769,054	2,250,731	293,129	-	1,794,537	27,558
Boat Program	-	-	-	-	-	-	-	-	-	-
Management and general	21,276	30,946	57,636	1,181	54,897	30,674	8,472	909	21,663	11,660
Fundraising	-	-	-	-	-	-	-	-	-	-
Total expense	346,810	425,514	1,252,867	96,096	823,951	2,281,405	301,601	909	1,816,200	39,218
Change in Net assets	(62,881)	58,633	(70,359)	56,667	124,136	(112,375)	20,104	19,884	779,694	(5,309)
Net assets (deficit), beginning of the year	126,132	83,846	85,541	1,639,954	762,880	807,896	(6,146)	806,701	2,303,528	(2,428)
Net assets (deficit), end of the year	$ 63,251	$ 142,479	$ 15,182	$ 1,696,621	$ 887,016	$ 695,521	$ 13,958	$ 826,585	$ 3,083,222	$ (7,737)

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2022

	AMIkids Orlando	AMIkids Panama City Marine Institute	AMIkids Pasco	AMIkids Pensacola	AMIkids Piedmont	AMIkids Pinellas	AMIkids Rio Grande Valley	AMIkids Sand Hills	AMIkids Sandoval	AMIkids Sarasota County
Public Support and revenue:										
Federal support	$ 57,045	$ 292,420	$ -	$ 336,568	$ 34,634	$ 195,446	$ 491,355	$ 54,450	$ 13,274	$ -
State support	758,490	124,028	-	1,525,046	1,381,250	-	183,917	1,331,950	386,831	-
Regional revenue	140,719	-	-	2,200	-	-	209,542	-	-	-
Nongovernmental	-	-	-	22,000	-	-	-	-	-	-
Service revenue	-	-	-	-	-	-	-	-	1,315,435	-
Contributions	312,109	369,956	-	154,187	21,016	4,510	43,440	139,182	6,827	-
Total Public Support	1,268,363	786,404	-	2,040,001	1,436,900	199,956	928,254	1,525,582	1,722,367	-
Revenue										
Boat Program	-	-	-	-	-	-	-	-	-	-
Investment income (loss)	25	3	-	16	25	(84,713)	2	-	137	26
Other	-	19,742	-	56,955	37	2,991	71	548	11	-
Total revenue	25	19,745	-	56,971	62	(81,722)	73	548	148	26
Total public support and revenue	1,268,388	806,149	-	2,096,972	1,436,962	118,234	928,327	1,526,130	1,722,515	26
Expenses:										
Program Services	1,135,563	847,772	-	2,223,442	1,055,174	241,676	1,041,225	1,428,958	2,551,834	-
Boat Program	-	-	-	-	-	-	-	-	-	-
Management and general	34,232	28,509	-	44,406	37,700	21,408	138,041	53,905	410,197	-
Fundraising	-	-	-	-	-	-	-	52	-	-
Total expense	1,169,795	876,281	-	2,267,848	1,092,874	263,084	1,179,266	1,482,915	2,962,031	-
Change in Net assets	98,593	(70,132)	-	(170,876)	344,088	(144,850)	(250,939)	43,215	(1,239,516)	26
Net assets (deficit), beginning of the year	(75,270)	3,773,252	29,145	677,129	462,416	1,130,302	(3,153,306)	(741,449)	(4,484,459)	73,818
Net assets (deficit), end of the year	$ 23,323	$ 3,703,120	$ 29,145	$ 506,253	$ 806,504	$ 985,452	$ (3,404,245)	$ (698,234)	$ (5,723,975)	$ 73,844

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2022

	AMIkids Savannah River	AMIkids South Carolina Statewide	AMIkids Southwest Florida	AMIkids Space Coast	AMIkids St. Louis	AMIkids Tallahassee	AMIkids Tampa	AMIkids Virginia	AMIkids Virginia Wilderness	AMIkids Volusia
Public Support and revenue:										
Federal support	$ -	$ -	$ 78,810	$ 80,592	$ -	$ 21,077	$ 164,501	$ -	$ -	$ 32,958
State support	1,075,782	-	-	1,797,606	-	306,861	735,020	5,626,617	-	796,705
Regional revenue	-	-	-	118,624	-	-	359,631	-	-	88,969
Nongovernmental	-	-	-	50,000	-	9,000	-	-	-	-
Service revenue	-	-	-	-	-	-	-	-	-	-
Contributions	60,630	-	32,051	146,419	-	20,488	414,872	3,489	-	21,430
Total Public Support	1,136,412	-	110,861	2,193,241	-	357,426	1,674,024	5,630,106	-	940,062
Revenue										
Boat Program	-	-	-	-	-	-	-	-	-	-
Investment income (loss)	-	-	8	(110)	-	-	177	175	-	-
Other	1	-	-	97	-	2	18,118	-	-	-
Total revenue	1	-	8	(13)	-	2	18,295	175	-	-
Total public support and revenue	1,136,413	-	110,869	2,193,228	-	357,428	1,692,319	5,630,281	-	940,062
Expenses:										
Program Services	1,589,919	-	826,107	2,356,241	-	322,986	1,413,385	5,498,734	23,260	997,290
Boat Program	-	-	-	-	-	-	-	-	-	-
Management and general	152,529	52	14,519	41,790	-	19,703	37,531	7,779	9,044	35,345
Fundraising	-	-	-	1,785	-	-	-	-	-	-
Total expense	1,742,448	52	840,626	2,399,816	-	342,689	1,450,916	5,506,513	32,304	1,032,635
Change in Net assets	(606,035)	(52)	(729,757)	(206,588)	-	14,739	241,403	123,768	(32,304)	(92,573)
Net assets (deficit), beginning of the year	(1,661,165)	1,064	613,292	626,684	-	(158,342)	364,359	442,455	(126,751)	(467,437)
Net assets (deficit), end of the year	$ (2,267,200)	$ 1,012	$ (116,465)	$ 420,096	$ -	$ (143,603)	$ 605,762	$ 566,223	$ (159,055)	$ (560,010)

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2022

	AMIkids White Pines	AMIkids YES	South Carolina Wilderness Institute	Total Before Eliminations	Eliminations	Total
Public Support and revenue:						
Federal support	$ 92,155	$ 467,036	$ -	$ 5,151,649	$ -	$ 5,151,649
State support	2,777,218	1,874,229	-	40,518,861	-	40,518,861
Regional revenue	-	338,196	-	5,803,474	-	5,803,474
Nongovernmental	-	-	-	278,249	-	278,249
Service revenue	-	-	-	4,281,947	(2,964,660)	1,317,287
Contributions	212,145	62,328	-	5,927,924	(1,396,224)	4,531,700
Total Public Support	3,081,518	2,741,789	-	61,962,104	(4,360,884)	57,601,220
Revenue						
Boat Program	-	-	-	22,090,887	-	22,090,887
Investment income (loss)	-	(52,897)	-	49,026	(543,915)	(494,889)
Other	4,788	874	-	360,530	(195,835)	164,695
Total revenue	4,788	(52,023)	-	22,500,443	(739,750)	21,760,693
Total public support and revenue	3,086,306	2,689,766	-	84,462,547	(5,100,634)	79,361,913
Expenses:						
Program Services	2,651,526	2,475,359	-	57,470,594	(3,928,203)	53,542,391
Boat Program	-	-	-	17,284,432	18,395	17,302,827
Management and general	42,704	49,803	910	7,430,296	(1,410,212)	6,020,084
Fundraising	242	-	-	467,772	-	467,772
Total expense	2,694,472	2,525,162	910	82,653,094	(5,320,020)	77,333,074
Change in Net assets	391,834	164,604	(910)	1,809,453	219,386	2,028,839
Net assets (deficit), beginning of the year	591,819	764,845	93,909	41,325,856	4,418,703	45,744,559
Net assets (deficit), end of the year	$ 983,653	$ 929,449	$ 92,999	$ 43,135,309	$ 4,638,089	$ 47,773,398

See Independent Auditors' Report.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of the AMIKids, Inc. and Affiliates ("the Organization"), which comprise the combined statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2022.

Report on Internal Control over Financial Reporting

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

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

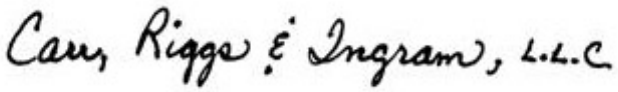
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



CARR, RIGGS, & INGRAM, LLC

Tampa, Florida
December 15, 2022

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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited AMIKids, Inc. and Affiliates ("the Organization")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2022. The Organization's major federal programs and state projects are identified in the summary of Auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General, *Florida Single Audit Act Audits – Nonprofit and For-Profit Organizations*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

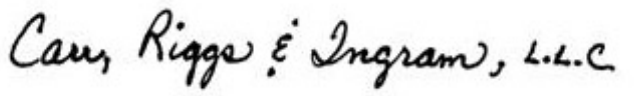
Report on Internal Control over Compliance

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

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

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



CARR, RIGGS & INGRAM, LLC

Tampa, Florida
December 15, 2022

AMIkids, Inc. and Affiliates
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2022

Grantor/Pass-Through Grantor/Program Title	ALN CSFA Number	Pass-Through Grant Number	Amount of Expenditures	Amount Provided To Subrecipients
FEDERAL AWARDS				
U.S. DEPARTMENT OF AGRICULTURE				
Indirect Programs:				
Child Nutrition Cluster				
Passed thru Florida Department of Agriculture				
School Breakfast Program	10.553	01-0233	$ 6,346	
Passed thru Louisiana Department of Education				
School Breakfast Program	10.553	09-SFS-007	3,162	
School Breakfast Program	10.553	5697, 5699, 5713, 5714, 5715, 5716	13,379	
Total ALN 10.553 - School Breakfast Program			22,887	-
Passed thru Florida Department of Agriculture				
National School Lunch Program	10.555	01-0233	$ 163,505	
Passed thru Louisiana Department of Education				
National School Lunch Program	10.555	09-SFS-007	62,308	
Passed thru New Mexico Public Education Department				
National School Lunch Program	10.555	11008	11,380	
Passed thru Texas Department of Agriculture				
National School Lunch Program	10.555	01198	9,014	
Passed thru South Carolina Department of Education				
National School Lunch Program	10.555	5697, 5699, 5713, 5714, 5715, 5716	284,379	
Total ALN 10.555 - National School Lunch Program			530,586	-
Total Child Nutrition Cluster			553,473	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			553,473	-
U.S. DEPARTMENT OF EDUCATION				
Indirect Programs:				
Passed thru Louisiana Dept. of Education				
Passed thru Caddo Parish				
Title I Grants to Local Educational Agencies	84.010	-	53,882	
Total ALN 84.010 - Title I Grants to Local Educational Agencies			53,882	-
TOTAL U.S. DEPARTMENT OF EDUCATION			53,882	-
U.S. DEPARTMENT OF LABOR				
Direct Programs:				
Reentry Employment Opportunities	17.270	YF-33606-19-60-A-12	958,521	
Total ALN 17.270 - Reentry Employment Opportunities			958,521	-
Youthbuild	17.274	YB-32999-18-60-A-22	256,462	
Youthbuild	17.274	YB-36447-21-60-A-22	155,227	
Youthbuild	17.274	YB-34255-19-60-A-45	327,499	
Youthbuild	17.274	YB-38197-22-60-A-45	5,232	
Youthbuild	17.274	YB-38233-22-60-A-12	2,350	
Youthbuild	17.274	YB-36454-21-60-A-12	206,364	
Youthbuild	17.274	YB-38211-22-60-A-12	8,906	
Total ALN 17.274 - Youthbuild			962,040	-
Youth Apprentice Readiness Program	17.258	AP-35086-20-60-A-12	360,717	
Total ALN 17.258 - Youth Apprentice Readiness Program			360,717	-
Workforce Pathways for Youth Grant Program	17.261	AP-35086-20-60-A-12	774,344	
Total ALN 17.258 - Youth Apprentice Readiness Program			774,344	-
TOTAL U.S. DEPARTMENT OF LABOR			3,055,622	-

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

AMIkids, Inc. and Affiliates
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2022 (Continued)

Grantor/Pass-Through Grantor/Program Title	ALN CSFA Number	Pass-Through Grant Number	Amount of Expenditures	Amount Provided To Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
COVID-19 The Pandemic Emergency Assistance Fund - TANF	93.558	ACF-PI-2021-02	1,000	
Total ALN 93.558 - COVID-19 Pandemic Emergency Assistance Fund - TANF			1,000	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,000	-
CORPORATION FOR NATIONAL AND COMMUNITY SERVICES				
Indirect Programs:				
Passed thru Volunteer Florida				
AmeriCorps	94.006	1980215206	11,359	
Total ALN 94.006 - AmeriCorps			11,359	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			11,359	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Indirect Programs:				
CDBG - Entitlement Grants Cluster				
Passed thru Brevard County				
Community Development Block Grants/Entitlement Grants	14.218	N/A	14,060	
Total ALN 14.218 - Community Development Block Grants/Entitlement Grants			14,060	-
Total CDBG Entitlement Grants Cluster			14,060	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			14,060	-
U.S DEPARTMENT OF THE TREASURY				
Indirect Programs:				
Passed thru Leon County, Florida				
COVID-19 ARA State and Local Fiscal Recovery Funds (SFLRF)	21.027	COVID-19	4,897	
Passed thru Cameron County, Texas				
COVID-19 ARA State and Local Fiscal Recovery Funds (SFLRF)	21.027	COVID-19	375,241	
Total ALN 21.027 - COVID-19 ARA State and Local Fiscal Recovery Funds			380,138	-
TOTAL U.S. DEPARTMENT OF THE TREASURY			380,138	-
U.S. DEPARTMENT OF JUSTICE				
Indirect Programs:				
Passed thru State of South Carolinaa Department of Public Safety				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	1CF20096	45,705	
Total ALN 16.034 - COVID-19 Coronavirus Emergency Supplemental Funding Program			45,705	-
TOTAL U.S. DEPARTMENT OF JUSTICE			45,705	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 4,115,239**	-

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

AMIkids, Inc. and Affiliates
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2022 (Continued)

Grantor/Pass-Through Grantor/Program Title	ALN CSFA Number	Pass-Through Grant Number	Amount of Expenditures	Amount Provided To Subrecipients
STATE FINANCIAL ASSISTANCE - FLORIDA				
FLORIDA DEPARTMENT OF EDUCATION				
Direct Projects:				
School and Instructional Enhancement Programs	48.040	93Q-97495-DQ001	$ 983,491	
Total CSFA 48.040 - School and Instructional Enhancement Programs			983,491	-
TOTAL FLORIDA DEPARTMENT OF EDUCATION			983,491	-
FLORIDA DEPARTMENT OF JUVENILE JUSTICE				
Direct Projects:				
Delinquency Prevention				
Clay - CFPG	80.029	10521	752,151	
Gadsden - 700 Gender Specific	80.029	10716	811,502	
Tampa - 725 - Gender Specific	80.029	10520	760,240	
Manatee - 725 - Gender Specitic	80.029	10715	615,568	
Family Centric	80.029	10610	293,654	
Total CSFA 80.029 - Delinquency Prevention			3,233,115	-
Day Treatment Programs - Facility Based	80.021	10573	5,692,104	
Total CSFA 80.021 - Day Treatment Programs - Facility Based			5,692,104	-
TOTAL FLORIDA DEPARTMENT OF JUVENILE JUSTICE			8,925,219	-
FLORIDA DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES				
Direct Projects:				
Horse Country Specialty License Plate	76.104	N/A	408,750	
TOTAL FLORIDA DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES			408,750	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE - FLORIDA			**$ 10,317,460**	**-**

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

NOTE 1: BASIS OF PRESENTATION

The schedule of expenditures of federal awards and state financial assistance represents amounts expended from federal award programs and state projects during the fiscal year as determined on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *Florida Department of Financial Services' State Projects Compliance Supplement*. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the Organization's accounting records from which the basic financial statements have been reported. Federal and state funds that are not subject to Uniform Guidance or Florida Single Audit are not included on this schedule.

The Organization has elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance for the year ended June 30, 2022.

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

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

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

Federal Awards:

1. Type of auditors' report issued on compliance for major programs — Unmodified
2. Internal control over major programs:
   a. Material weaknesses identified? — None
   b. Significant deficiencies identified not considered to be material weaknesses? — None noted
3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? — No
4. Identification of major programs:

ALN Number	Program
17.261	Workforce Pathways for Youth Program
17.274	Youthbuild

5. Dollar threshold used to distinguish between type A and type B programs: — $750,000
6. Auditee qualified as low-risk auditee under 2 CFR 200.520? — Yes

State Projects:

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

CSFA Number	Project
80.029	Delinquency Prevention
80.021	Day Treatment Programs – Facility Based

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – FEDERAL AWARD FINDINGS

None noted

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Finding Number	Program/Area	Description	Status
2021-001	21.019 COVID-19 Coronavirus Relief Fund	Review of required reporting submitted was not documented.	Corrected