The Children's Home Society of Florida and Subsidiaries

Consolidated Financial Report
June 30, 2022

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RSM US LLP

Independent Auditor's Report

Audit Committee
The Children's Home Society of Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of The Children's Home Society of Florida and its subsidiaries (the Organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

RSM US LLP

Orlando, Florida
November 30, 2022

The Children's Home Society of Florida and Subsidiaries

Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	**$ 6,347,271**	$ 6,964,071
Receivables, net	**11,313,832**	10,200,131
Prepaid expenses and other assets	**905,985**	1,090,201
Investments	**16,891,387**	18,497,970
Assets held for sale	**-**	72,500
Pension asset	**855,802**	-
Beneficial interest	**25,557,013**	30,091,439
Property and equipment, net	**14,786,505**	22,333,278
Total assets	**$ 76,657,795**	$ 89,249,590
Liabilities and Net Assets		
Liabilities:		
Accounts payable	**$ 1,958,798**	$ 1,811,353
Accrued expenses	**5,309,037**	7,106,098
Refundable advances	**1,972,283**	2,362,234
Pension liability	**-**	7,986,176
Held in custody for account of others	**1,045,425**	707,998
Debt and line of credit	**7,202,184**	1,526,899
Total liabilities	**17,487,727**	21,500,758
Commitments and contingencies (Notes 9 and 11)		
Net assets:		
Without donor restrictions	**33,584,378**	37,630,090
With donor restrictions	**25,585,690**	30,118,742
Total net assets	**59,170,068**	67,748,832
Total liabilities and net assets	**$ 76,657,795**	$ 89,249,590

See notes to consolidated financial statements.

The Children's Home Society of Florida and Subsidiaries

Consolidated Statement of Activities
Year Ended June 30, 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating public support and revenues:			
Operating public support:			
United Way	$ 1,093,360	$ -	$ 1,093,360
Bequests, contributions and special events	5,557,044	469,302	6,026,346
In-kind contributions	1,381,624	-	1,381,624
Total operating public support	8,032,028	469,302	8,501,330
Revenue from service contracts	81,687,121	-	81,687,121
Adoptive and other service fees	435,339	-	435,339
Investment income, net	547,460	-	547,460
Gain on sale of property and equipment/assets held for sale	5,597,891	-	5,597,891
Other revenues	861,981	-	861,981
Net assets released from restrictions	1,504,154	(1,504,154)	-
Total operating public support and revenues	98,665,974	(1,034,852)	97,631,122
Operating expenses:			
Program services	78,162,253	-	78,162,253
Supporting services:			
Management and general	11,567,253	-	11,567,253
Fundraising	3,404,596	-	3,404,596
Total supporting services	14,971,849	-	14,971,849
Total operating expenses	93,134,102	-	93,134,102
Change in net assets from operations	5,531,872	(1,034,852)	4,497,020
Other changes:			
Change in beneficial interest	-	(3,498,200)	(3,498,200)
Net realized and unrealized losses on investments	(2,820,601)	-	(2,820,601)
Other components of net periodic benefit cost	(14,388,160)	-	(14,388,160)
Pension related changes other than net periodic benefit cost	7,631,177	-	7,631,177
Change in other changes	(9,577,584)	(3,498,200)	(13,075,784)
Change in net assets	(4,045,712)	(4,533,052)	(8,578,764)
Net assets:			
Beginning	37,630,090	30,118,742	67,748,832
Ending	$ 33,584,378	$ 25,585,690	$ 59,170,068

See notes to consolidated financial statements.

The Children's Home Society of Florida and Subsidiaries

Consolidated Statement of Activities
Year Ended June 30, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating public support and revenues:			
Operating public support:			
United Way	$ 1,250,505	$ -	$ 1,250,505
Bequests, contributions and special events	4,859,008	471,314	5,330,322
In-kind contributions	1,286,850	-	1,286,850
Total operating public support	7,396,363	471,314	7,867,677
Revenue from service contracts	86,230,498	-	86,230,498
Adoptive and other service fees	597,100	-	597,100
Investment income, net	316,524	-	316,524
Gain on sale of property and equipment/assets held for sale	6,146,250	-	6,146,250
Other revenues	771,326	-	771,326
Net assets released from restrictions	1,574,655	(1,574,655)	-
Total operating public support and revenues	103,032,716	(1,103,341)	101,929,375
Operating expenses:			
Program services	80,656,372	-	80,656,372
Supporting services:			
Management and general	12,398,061	-	12,398,061
Fundraising	3,184,327	-	3,184,327
Total supporting services	15,582,388	-	15,582,388
Total operating expenses	96,238,760	-	96,238,760
Change in net assets from operations	6,793,956	(1,103,341)	5,690,615
Other changes:			
Change in beneficial interest	-	5,406,043	5,406,043
Net realized and unrealized gains on investments	3,529,340	-	3,529,340
Other components of net periodic benefit cost	(1,039,522)	-	(1,039,522)
Pension related changes other than net periodic benefit cost	4,308,474	-	4,308,474
Change in other changes	6,798,292	5,406,043	12,204,335
Change in net assets	13,592,248	4,302,702	17,894,950
Net assets:			
Beginning	24,037,842	25,816,040	49,853,882
Ending	$ 37,630,090	$ 30,118,742	$ 67,748,832

See notes to consolidated financial statements.

The Children's Home Society of Florida and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services					Supporting Services			
	Child Welfare Solutions	Behavioral Health Solutions	Early Childhood Solutions	Community Solutions	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total Functional Expenses
Salaries	$ 24,362,862	$ 7,949,705	$ 9,425,726	$ 6,352,661	$ 48,090,954	$ 6,207,768	$ 1,950,459	$ 8,158,227	$ 56,249,181
Employee benefits	3,829,627	1,216,638	1,454,906	962,298	7,463,469	704,644	337,604	1,042,248	8,505,717
Payroll taxes and other	2,156,539	712,966	830,410	553,451	4,253,366	400,123	149,902	550,025	4,803,391
Total salaries and related expenses	30,349,028	9,879,309	11,711,042	7,868,410	59,807,789	7,312,535	2,437,965	9,750,500	69,558,289
Professional fees	714,129	574,850	156,307	796,518	2,241,804	1,113,666	101,025	1,214,691	3,456,495
Supplies	128,464	13,754	92,344	164,407	398,969	10,720	12,440	23,160	422,129
Communications	531,140	225,900	245,445	143,714	1,146,199	966,259	129,431	1,095,690	2,241,889
Postage and shipping	23,886	8,164	13,527	4,390	49,967	15,497	26,803	42,300	92,267
Occupancy	1,294,816	261,962	978,861	856,330	3,391,969	614,228	35,679	649,907	4,041,876
Rental and maintenance of equipment	142,928	55,255	97,625	119,184	414,992	89,375	12,398	101,773	516,765
Printing and publications	23,564	4,422	40,758	41,216	109,960	123,891	65,976	189,867	299,827
Travel	1,447,728	102,282	306,966	170,941	2,027,917	87,379	43,079	130,458	2,158,375
Conferences, conventions and meetings	75,603	67,460	91,999	50,550	285,612	125,962	6,737	132,699	418,311
Specific assistance to individuals	1,868,664	484,444	1,158,234	626,491	4,137,833	1,147	107,049	108,196	4,246,029
Membership dues	54,327	1,708	45,301	38,313	139,649	102,868	4,172	107,040	246,689
Interest	236	-	-	-	236	29,220	-	29,220	29,456
Insurance	890,311	270,198	217,286	126,643	1,504,438	153,191	23,545	176,736	1,681,174
Provision for bad debt (recovery)	22,746	488,668	235,835	26,828	774,077	(316,628)	-	(316,628)	457,449
Contributed goods	296,343	1,065	353,078	229,563	880,049	-	113,050	113,050	993,099
Other	193,942	24,502	36,567	29,283	284,294	246,311	279,475	525,786	810,080
Total before depreciation and amortization	38,057,855	12,463,943	15,781,175	11,292,781	77,595,754	10,675,621	3,398,824	14,074,445	91,670,199
Depreciation and amortization	323,375	68,151	80,974	93,999	566,499	891,632	5,772	897,404	1,463,903
Total expenses	$ 38,381,230	$ 12,532,094	$ 15,862,149	$ 11,386,780	$ 78,162,253	$ 11,567,253	$ 3,404,596	$ 14,971,849	$ 93,134,102

See notes to consolidated financial statements.

The Children's Home Society of Florida and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

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

See notes to consolidated financial statements.

The Children's Home Society of Florida and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	**$ (8,578,764)**	$ 17,894,950
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	**1,463,903**	2,072,819
Net realized and unrealized losses (gains) on investments	**2,820,601**	(3,529,340)
Change in beneficial interest	**4,534,426**	(4,323,399)
Gain on sale of property and equipment/assets held for sale	**(5,597,891)**	(6,146,250)
Provision for doubtful accounts	**457,449**	529,314
Changes in operating assets and liabilities:		
Receivables	**(1,571,150)**	783,107
Prepaid expenses and other assets	**184,216**	891,447
Pension asset	**(855,802)**	-
Accounts payable	**147,445**	(1,780,306)
Accrued expenses	**(1,797,061)**	(1,469,332)
Refundable advances	**(389,951)**	912,890
Pension liability	**(7,986,176)**	(3,640,336)
Net cash (used in) provided by operating activities	**(17,168,755)**	2,195,564
Cash flows from investing activities:		
Purchases of property and equipment	**(572,923)**	(895,122)
Proceeds from sale of property and equipment/assets held for sale	**12,663,611**	9,116,909
Proceeds from sale of investments	**6,808,589**	9,034,196
Purchases of investments	**(8,022,607)**	(9,115,518)
Net cash provided by investing activities	**10,876,670**	8,140,465
Cash flows from financing activities:		
Proceeds from debt and line of credit	**6,050,000**	-
Principal payments on debt and line of credit	**(374,715)**	(11,151,916)
Net cash provided by (used in) financing activities	**5,675,285**	(11,151,916)
Net decrease in cash and cash equivalents	**(616,800)**	(815,887)
Cash and cash equivalents:		
Beginning	**6,964,071**	7,779,958
Ending	**$ 6,347,271**	$ 6,964,071
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	**$ 22,129**	$ 189,073

See notes to consolidated financial statements.

Note 1. Nature of Organization and Significant Accounting Policies

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

CHS' major program services are as follows:

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

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

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

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

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

A summary of CHS' significant accounting policies follows:

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

Centennial Holdings, LLC	ECIL Capital, LLC
Centennial Holdings (Treasure Coast), LLC	Centennial Holdings (Buckner), LLC
Centennial Holdings (North Central), LLC	

All intercompany balances have been eliminated in consolidation.

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

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

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

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

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

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

Receivables: Receivables are stated at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. CHS uses the allowance method to determine uncollectible receivables. The allowance is established based upon management's analysis of specific accounts and other economic factors. In the opinion of management, the allowance for doubtful accounts of $803,575 and $1,168,859 at June 30, 2022 and 2021, respectively, reflects management's best estimate of uncollectible accounts.

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

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

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

Impairment of long-lived assets: The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate such value may not be recoverable. Recoverability of assets or asset groups to be held and used is measured by a comparison of the carrying amount of an asset or asset group to future net cash flows expected to be generated by the asset or asset group. If such assets or asset groups are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets or asset groups exceeds the fair value of the assets or asset groups. Assets or asset groups to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. No impairment of its long-lived assets or asset groups has been recognized during the years ended June 30, 2022 and 2021.

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

Operating public support and donor-imposed restrictions: Unconditional promises to give are recognized as contributions in the period received at their fair value. Conditional contributions or intentions to give, that is those with both a measurable performance or other barrier and a right of return or release, are not recognized until they become unconditional, that is, at the time when the conditions on which they depend on are substantially met. Contributions other than cash are recorded at their estimated fair value on the date received.

Unconditional contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions support depending on the existence or nature of any donor-imposed restrictions. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified into net assets without donor restrictions and are reported in the accompanying consolidated statements of activities as net assets released from restrictions.

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

Contributed goods and classroom space are reflected in the accompanying consolidated financial statements at their estimated fair value at date of receipt. Contributed services are recognized and recorded at their estimated fair value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. CHS records contributed goods, classroom space and services as in-kind support and expenses in the accompanying consolidated statements of activities and consolidated statements of functional expenses.

Revenue from service contracts: Revenue from service contracts are considered exchange transactions if each party receives and sacrifices commensurate value. Funds from these exchange transactions are not considered contributions and are deemed to be earned and reported as revenue at a point in time as performance obligations are met based on when services are provided and CHS does not believe it is required to provide additional services. Funds received in advance and not yet earned are recorded as deferred revenue. There was no deferred revenue at June 30, 2022 and 2021. Receivables from exchange transactions was $423,967 and $354,539 at June 30, 2022 and 2021, respectively. Revenue from service contracts related to exchange transactions was $6,510,991 and $9,170,642 for the years ended June 30, 2022 and 2021, respectively.

Revenue from service contracts not considered exchange transactions are recognized as revenue when the funds are utilized by CHS to carry out the activity stipulated by the service contract, thereby satisfying imposed barriers and/or rights of return. The services contracts can be terminated by the grantor or refunding can be required under certain circumstances coupled with other performance and/or control barriers. For these reasons, these service contract agreements are considered conditional. Accordingly, amounts received, but not recognized as revenue, are classified in the consolidated statements of financial position as refundable advances and was $1,972,283 and $2,362,234 at June 30, 2022 and 2021, respectively. Receivables from non-exchange transactions was $11,089,428 and $10,092,552 at June 30, 2022 and 2021, respectively. Revenue from service contracts related to non-exchange transactions was $75,176,130 and $77,059,856 for the years ended June 30, 2022 and 2021, respectively.

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

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

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

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

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

In addition, management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying consolidated financial statements. CHS files tax returns in the U.S. federal jurisdiction. Generally, CHS is no longer subject to U.S. federal income tax examinations by taxing authorities for years before June 30, 2019.

Reclassifications: Certain amounts in the 2021 consolidated financial statements have been reclassified in order to confirm with the 2022 presentation. These reclassifications had no effect on the previously reported results of operations or cash flows.

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

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

Recent accounting pronouncements adopted: In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit entities. The ASU will require a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash or other financial assets. The ASU will also require enhanced disclosure, including disaggregation of nonfinancial assets recognized by category and qualitative information about each category. The amendments in this ASU will be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. On July 1, 2021, CHS adopted ASU 2020-07.

Subsequent events: CHS has evaluated subsequent events through November 30, 2022, the date on which the consolidated financial statements were available to be issued.

Note 2. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2022 and 2021:

	2022	2021
Restricted for specified purposes:		
Beneficial interest in the net assets of The Children's Home Society of Florida Foundation, Inc.	$ 16,468,790	$ 21,132,678
Other	28,677	27,303
	16,497,467	21,159,981
Restricted in perpetuity:		
Beneficial interest in the net assets of The Children's Home Society of Florida Foundation, Inc.	9,088,223	8,958,761
	9,088,223	8,958,761
	$ 25,585,690	$ 30,118,742

As of June 30, 2022 and 2021, net assets of $1,504,154 and $1,574,655, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes.

Note 3. Receivables

Receivables consisted of the following at June 30, 2022 and 2021:

	2022	2021
Community based care contracts	$ 4,057,843	$ 3,315,800
Other contracts	4,197,977	5,016,158
Government contracts	2,833,608	1,760,594
Pledges	612,449	927,196
Medicaid	423,967	354,539
	12,125,844	11,374,287
Less allowance for doubtful accounts	(803,575)	(1,168,859)
Less discount for time-value of money	(8,437)	(5,297)
	$ 11,313,832	$ 10,200,131

Pledges that are included above are unconditional promises to give at June 30, 2022 and 2021, and are summarized as follows:

	2022	2021
Amounts due:		
Within one year	$ 344,698	$ 583,296
One to five years	267,751	342,025
More than five years	-	1,875
	612,449	927,196
Less allowance for doubtful accounts	(432,449)	(785,524)
Less discount for time-value of money	(8,437)	(5,297)
	$ 171,563	$ 136,375

Note 4. Investments

The fair value of investments at June 30, 2022 and 2021, consists of the following:

	2022	2021
Mutual funds:		
Large blend fund	$ 5,887,610	$ 7,123,456
Intermediate core-plus bond fund	2,297,084	2,880,679
Multi-asset income fund	2,118,473	1,841,739
Large growth fund	1,563,134	1,037,780
Small blend fund	1,209,584	358,953
Mid-cap blend fund	636,169	474,806
Real estate fund	574,928	444,971
Foreign large blend fund	507,817	982,960
Fixed income fund	460,067	158,546
Foreign large growth fund	411,047	780,745
Commodities focused fund	269,358	149,595
Large value fund	148,584	298,475
Foreign small/mid blend fund	112,412	124,534
Infrastructure fund	-	362,087
Multi-sector bond fund	-	354,010
Bank loan fund	-	257,047
Foreign large value fund	-	164,035
Diversified emerging market fund	-	150,393
Real estate investment trust	695,120	553,159
	$ 16,891,387	$ 18,497,970

Note 5. Property and Equipment

Property and equipment consisted of the following at June 30, 2022 and 2021:

	2022	2021
Land	$ 1,334,729	$ 2,504,041
Buildings and improvements	18,036,685	29,409,160
Furniture and equipment	13,247,995	13,102,227
Leasehold improvements	854,404	955,327
	33,473,813	45,970,755
Less accumulated depreciation	(18,687,308)	(23,637,477)
	$ 14,786,505	$ 22,333,278

Depreciation and amortization expense of property and equipment for the years ended June 30, 2022 and 2021, was approximately $1,464,000 and $2,073,000, respectively.

Note 6. Fair Value Measurements

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

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

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

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

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

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

The tables below represent CHS' financial assets measured at fair value on a recurring basis by level within the hierarchy at June 30, 2022 and 2021:

	2022			
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Large blend fund	$ 5,887,610	$ -	$ -	$ 5,887,610
Intermediate core-plus bond fund	2,297,084	-	-	2,297,084
Multi-asset income fund	2,118,473	-	-	2,118,473
Large growth fund	1,563,134	-	-	1,563,134
Small blend fund	1,209,584	-	-	1,209,584
Mid-cap blend fund	636,169	-	-	636,169
Real estate fund	574,928	-	-	574,928
Foreign large blend fund	507,817	-	-	507,817
Fixed income fund	460,067	-	-	460,067
Foreign large growth fund	411,047	-	-	411,047
Commodities focused fund	269,358	-	-	269,358
Large value fund	148,584	-	-	148,584
Foreign small/mid blend fund	112,412	-	-	112,412
Total investments in fair value hierarchy	16,196,267	-	-	16,196,267
Real estate investment trust measured at net asset value (a)	-	-	-	695,120
Total investments at fair value	$ 16,196,267	$ -	$ -	$ 16,891,387

Note 6. Fair Value Measurements (Continued)

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

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

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

Note 6. Fair Value Measurements (Continued)

The following table sets forth additional disclosures of CHS' investments whose fair value is estimated using net asset value per share (or its equivalents) as of June 30, 2022 and 2021:

	June 30, 2022			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real estate investment trust	$ 695,120	$ -	Daily	90 days

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

Note 7. Accrued Expenses

Accrued expenses consisted of the following at June 30, 2022 and 2021:

	2022	2021
Accrued salaries and benefits	$ 2,918,345	$ 4,426,133
Accrued vacation	1,844,653	2,142,054
Other	546,039	537,911
	$ 5,309,037	$ 7,106,098

Note 8. Debt and Line of Credit

Debt consisted of the following at June 30, 2022 and 2021:

	2022	2021
CHS has a $11,550,000 revolving line of credit with a bank bearing interest at the Secured Overnight Financing Rate, adjusted monthly, plus 1.61% (3.24% at June 30, 2022). Interest on the line of credit is payable monthly and matures on March 31, 2025. The line of credit is collateralized by substantially all assets of CHS.	$ 5,950,000	$ -
Note payable to a bank, due in monthly principal and interest payments of $24,060. The note bears interest at a fixed interest rate of 4.70% and matures in December 2022. The note is collateralized by certain equipment.	142,574	417,289
Note payable to the city of Jacksonville, Florida, to finance construction of transitional housing for youths aging out of foster care. The note is non-interest-bearing and matures in March 2025. As described in the note agreement, if there is no uncured event of default upon the maturity date, then the outstanding balance will be forgiven and cancelled by the city of Jacksonville. At the time of debt forgiveness, CHS will recognize a gain in the consolidated statements of activities equal to the outstanding debt balance. The note is collateralized by property in Jacksonville, Florida.	740,822	740,822
Note payable to the Florida Housing Finance Corporation to finance construction of transitional housing for youths aging out of foster care. The note is non-interest-bearing and matures in March 2024, at which time, the entire unpaid principal is due and payable. The note is collateralized by property in Jacksonville, Florida.	248,788	248,788
Note payable to the county of Escambia, Florida, to finance construction of transitional housing for homeless pregnant women or women with children. The note is non-interest-bearing and matures in January 2023. As described in the note agreement, if there is no uncured event of default upon the maturity date, then the outstanding balance will be forgiven and cancelled by the county of Escambia. At the time of debt forgiveness, CHS will recognize a gain in the consolidated statements of activities equal to the outstanding debt balance. The note is collateralized by property in Pensacola, Florida.	120,000	120,000
	$ 7,202,184	$ 1,526,899

Maturities of debt as of June 30, 2022, are as follows:

	Amount
Years ending June 30:	
2023	$ 262,574
2024	248,788
2025	6,690,822
	$ 7,202,184

Note 8. Debt and Line of Credit (Continued)

Under the terms of the agreements for the notes payable to a bank and the line of credit, CHS is required to maintain certain financial covenants relating to fixed charge coverage ratio and minimum unrestricted liquidity coverage. As of June 30, 2022, CHS was in compliance with the fixed charge coverage ratio and minimum unrestricted liquidity coverage.

Note 9. Commitments and Contingencies

Certain premises used by operating regions are occupied under operating leases, ranging up to seven years. Rent expense under all leases was approximately $1,725,000 and $2,161,000 for the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments under these operating leases as of June 30, 2022, are as follows:

	Amount
Years ending June 30:	
2023	$ 1,421,847
2024	1,172,674
2025	795,056
2026	609,000
2027	395,755
	$ 4,394,332

CHS has a partial self-insurance plan that provides medical and other healthcare benefits to certain employees and covered dependents. CHS mitigates risk through a stop loss insurance policy, covering costs above $275,000 per plan, per individual per plan year, through a commercial excess coverage policy. Undiscounted estimated reserves for claims incurred but not yet reported totaled approximately $1,115,000 and $1,000,000, respectively, at June 30, 2022 and 2021, and is included in accrued expenses in the accompanying consolidated statements of financial position.

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

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

Note 10. Liquidity and Availability of Resources

As of June 30, 2022 and 2021, the following reflects CHS's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30, 2022 and 2021:

	2022	2021
Financial assets, at year-end		
Cash and cash equivalents	$ 6,347,271	$ 6,964,071
Receivables, net	11,313,832	10,200,131
Investments	16,891,387	18,497,970
Less those unavailable for general expenditures within one year, due to:		
Pledges receivable due in greater than one year, net	(111,563)	(47,250)
Contractual or donor-imposed restrictions:		
Restricted by donors with purpose restrictions	(28,677)	(27,303)
Financial assets available to meet cash needs for general expenditures within one year	$ 34,412,250	$ 35,587,619

CHS has a policy of maintaining access to financial assets sufficient to support a minimum of 60 days of operating expenses through a combination of cash, cash equivalents, investments and a $11,550,000 revolving line of credit (see Note 8).

Note 11. Retirement Plans

Certain employees of CHS participated in a noncontributory Annuity Benefit Retirement Plan (the Plan) administered by CHS. The Plan provided for defined benefits. Benefits were based on years of service and the employee's final average compensation as defined under the Plan. CHS' funding policy was to contribute annually, amounts based on the actuarial status of the Plan, but not less than that necessary to meet minimum regulatory funding standards. The Angell Pension Group, Inc. serves as the Plan's actuary.

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

During the year ended June 30, 2022, the Board of Directors approved a motion to terminate the Plan effective April 15, 2022, at which time, employees agreed to either a lump sum settlement benefit payment or the purchase of an annuity on their behalf. In June 2022, benefit payments were distributed in satisfaction of all obligations, which resulted in a settlement expense of $14,404,355 and lump sum settlement benefit payments of $37,735,332. The remaining projected benefit obligation in the amount of $112,042 as of June 30, 2022, represents run off activity.

Note 11. Retirement Plans (Continued)

The following tables provide a reconciliation of the changes in the Plan's benefit obligations and fair value of assets over the two-year period ended June 30, 2022, and a statement of the funded status as of June 30, 2022 and 2021:

	2022	2021
Accumulated benefit obligation at end of year	$ 112,042	$ 36,813,880
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 36,813,880	$ 39,904,044
Interest cost	964,679	999,461
Actuarial loss (gain)	744,292	(1,646,225)
Benefit payments	(675,477)	(596,995)
Lump sum settlement benefit payments	(37,735,332)	(1,846,405)
Projected benefit obligation at end of year	$ 112,042	$ 36,813,880

	2022	2021
Change in fair value of plan assets:		
Fair value of plan assets at beginning of year	$ 28,827,704	$ 28,277,532
Actual return on plan assets	(4,205,917)	2,894,959
Employer contributions	15,598,961	371,384
Expenses	(842,095)	(272,771)
Benefit payments	(675,477)	(596,995)
Lump sum settlement benefit payments	(37,735,332)	(1,846,405)
Fair value of plan assets at end of year	$ 967,844	$ 28,827,704
Funded (unfunded) status at end of year	$ 855,802	$ (7,986,176)

The funded status as of June 30, 2022, of $855,802, is recorded as pension asset in the accompanying consolidated statements of financial position.

The unfunded status as of June 30, 2021, of $7,986,176, is recorded as pension liability in the accompanying consolidated statements of financial position.

Pension related changes other than net periodic benefit cost for the years ended June 30, 2022 and 2021, are as follows:

	2022	2021
Net actuarial loss (gain)	$ 7,327,780	$ (2,793,063)
Amortization of actuarial loss	(554,602)	(1,130,494)
Amount recognized due to settlement	(14,404,355)	(384,917)
Pension related changes other than net periodic benefit cost	$ (7,631,177)	$ (4,308,474)

Note 11. Retirement Plans (Continued)

The tables below represent CHS' pension plan assets measured at fair value by level within the hierarchy (see Note 6) as of June 30, 2022 and 2021:

	2022			
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 967,844	$ -	$ -	$ 967,844

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

CHS' pension plan weighted-average asset allocations as of June 30, 2022 and 2021, by asset category are as follows:

	Percentage of Plan Assets at June 30,	
	2022	2021
Money market funds	100%	0%
Equity securities	0%	35%
Debt securities	0%	65%
	100%	100%

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

Note 11. Retirement Plans (Continued)

The components of net periodic benefit cost for the Plan's fiscal years 2022 and 2021, are as follows:

	2022	2021
Interest cost	$ 964,679	$ 999,461
Expected return on plan assets	(1,535,476)	(1,475,350)
Amortization of actuarial loss	554,602	1,130,494
Amount recognized due to settlement	14,404,355	384,917
Net periodic benefit cost	$ 14,388,160	$ 1,039,522

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

There are no expected contributions for the fiscal year ending June 30, 2023.

Estimated future benefit payments reflecting expected future service for the year ending June 30, 2023 is $112,042.

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

	2022	2021
Weighted-average assumptions as of June 30:		
Discount rate	4.45%	2.70%
Expected return on plan assets	5.50%	5.50%
Rate of compensation increase	N/A	N/A

	2022	2021
Alternative amortization methods used to amortize:		
Prior service cost	Straight-line	Straight-line
Unrecognized net (gain) or loss	Straight-line	Straight-line
Measurement date used	June 30, 2022	June 30, 2021

Mortality assumption: As of June 30, 2022, the assumed mortality rates were based upon the Pri-2012 Mortality Table projected fully generationally using the Scale MP-2021. As of June 30, 2021, the assumed mortality rates were based upon the Pri-2012 Mortality Table projected forward using the Scale MP-2020.

Additionally, CHS has a 403(b) thrift plan for eligible employees. Employees may make voluntary contributions up to the federal limits. For eligible employees employed by CHS for less than 10 years, CHS makes matching contributions equal to 50% of employee contributions up to 10% of included compensation. For eligible employees employed by CHS for 10 years or more, CHS makes matching contributions equal to 75% of employee contributions up to 10% of included compensation. Employer contributions vest at 100% after three years of service. Employer contributions were approximately $959,000 and $1,021,000, respectively, for the years ended June 30, 2022 and 2021.

Note 11. Retirement Plans (Continued)

CHS also has a 457(b) thrift plan for eligible employees. Eligible employees may make voluntary contributions from accumulated vacation pay in excess of 240 hours before deferral, but limited each plan year to deferral contributions equal to no more than 80 hours of accumulated vacation pay. CHS makes non-elective contributions annually to the plan. Employer contributions are 100% vested upon contribution. There were no employer contributions during the years ended June 30, 2022 and 2021.

Note 12. In-Kind Contributions

In-kind contributions included in the consolidated statements of activities and functional expenses and the corresponding expenses are as follows:

	2022	2021
Contributed goods	$ 993,099	$ 943,343
Contributed classroom space	388,525	343,507
	$ 1,381,624	$ 1,286,850

Contributed goods was utilized in the following program and supporting services: child welfare solutions, behavioral health solutions, early childhood solutions, community solutions and fundraising. CHS estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed classroom space was utilized in the community solutions program. CHS estimated the fair value on the basis of estimates of third party appraisals.

Note 13. Beneficial Interest

Beneficial interest consisted of the following at June 30, 2022 and 2021:

	2022	2021
Beneficial interest in the net assets of The Children's Home Society of Florida Foundation, Inc., reported on the equity method	$ 25,557,013	$ 30,091,439

At June 30, 2022 and 2021, CHS's beneficial interest in the net assets of The Children's Home Society of Florida Foundation, Inc. (Foundation) was $25,557,013 and $30,091,439, respectively, which is included in the accompanying consolidated statements of financial position. The net assets with donor restrictions—restricted for specified purposes, change in beneficial interest in the net assets of the Foundation was $(3,627,662) and $6,260,862, net of distributions to CHS of $1,036,226 and $1,082,644, for the years ended June 30, 2022 and 2021, respectively, which is included in the accompanying consolidated statements of activities. The net assets with donor restrictions—restricted in perpetuity change in beneficial interest in the net assets of the Foundation was $129,462 and $(60,624) for the years ended June 30, 2022 and 2021, respectively, which is included in the accompanying consolidated statements of activities.

RSM US LLP

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

Independent Auditor's Report

Audit Committee
The Children's Home Society of Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of The Children's Home Society of Florida and its subsidiaries (the Organization), which comprise the consolidated statement of financial position as of June 30, 2022, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements), and have issued our report thereon dated November 30, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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

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

RSM US LLP

Orlando, Florida
November 30, 2022

The Children's Home Society of Florida

Federal Awards and Florida Single Audit
Compliance Report
June 30, 2022

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RSM US LLP

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

Independent Auditor's Report

Audit Committee
The Children's Home Society of Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of The Children's Home Society of Florida (the Organization), which comprise the consolidated statement of financial position as of June 30, 2022, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements), and have issued our report thereon dated November 30, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

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

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

RSM US LLP

Orlando, Florida
November 30, 2022

RSM US LLP

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

Independent Auditor's Report

Audit Committee
The Children's Home Society of Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

Opinion on Each Major Federal Program and State Financial Assistance Project
We have audited The Children's Home Society of Florida's (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and in the State of Florida's *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 financial assistance projects for the year ended June 30, 2022. The Organization's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 state financial assistance projects for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program and State Financial Assistance Project
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Florida Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650 are further described in the Auditor's 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 financial assistance 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 financial assistance projects.

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Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express and 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 GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650 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 financial assistance project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, 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, 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 and state financial assistance 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 and state financial assistance project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and State of Florida Chapter 10.650, *Rules of the Auditor General*
We have audited the consolidated financial statements of the Organization as of and for the year ended June 30, 2022, and have issued our report thereon dated November 30, 2022, which contained an unmodified opinion on those consolidated financial statements (collectively, the financial statements). Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and the State of Florida Chapter 10.650, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

RSM US LLP

Orlando, Florida
March 13, 2023

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2022

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	Federal ALN Number	Federal Expenditures
Federal Awards:			
U.S. Department of Agriculture:			
Child Nutrition Cluster:			
School Breakfast Program:			
Passed through Florida Department of Agriculture	161	10.553	$ 14,206
National School Lunch Program:			
Passed through Florida Department of Agriculture	161	10.555	18,233
Program total (Child Nutrition Cluster)			32,439
Child and Adult Care Food Program:			
Passed through Florida Department of Health	S-5055	10.558	47,880
Total U.S. Department of Agriculture			80,319
U.S. Department of Justice:			
Crime Victim Assistance Program:			
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VC714	16.575	97,710
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VC666	16.575	148,397
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VC710	16.575	51,884
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VD706	16.575	126,634
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VD662	16.575	155,915
Passed through Florida Department of Legal Affairs, Office of the Attorney General	VD710	16.575	9,473
Total U.S. Department of Justice			590,013
U.S. Department of Labor:			
WIOA Youth Activities Program (WIOA Cluster):			
Passed through CareerSource Escarosa	WIOA-2021-2022-01	17.259	284,142
Total U.S. Department of Labor (WIOA Cluster)			284,142
U.S. Department of Treasury:			
COVID-19: Coronavirus Relief Fund Program:			
Passed through City of Pensacola	128.510.1280.128006.9882.128205	21.019	34,580
Passed through Lutheran Services Florida, Inc.	ME053	21.019	12,219
Total U.S. Department of Treasury			46,799
U.S. Department of Education:			
Special Education Grants for Infants and Families Program:			
Passed through Florida Department of Health	COQZB	84.181	590,447
Total U.S. Department of Education			590,447
U.S. Department of Health and Human Services:			
Affordable Care Act Personal Responsibility Education Program:			
Direct—U.S. Department of Health and Human Services	90AP2680	93.092	313,566
Substance Abuse and Mental Health Services Projects of Regional and National Significance Program:			
Direct—U.S. Department of Health and Human Services	5U79SM063140	93.243	118,699
Transitional Living for Homeless Youth Program:			
Direct—U.S. Department of Health and Human Services	90CX7387	93.550	115,662

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2022

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	Federal ALN Number	Federal Expenditures
Federal Awards (Continued):			
U.S. Department of Health and Human Services (Continued):			
MaryLee Allen Promoting Safe and Stable Families Program:			
Passed through Big Bend Community Based Care, Inc.	0241	93.556	$ 70,272
Passed through Big Bend Community Based Care, Inc.	0256	93.556	3,368
Passed through ChildNet, Inc.	CHS21ADP	93.556	66,753
Passed through Citrus Family Care Network	21-04, 24-25	93.556	275,684
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.556	232,589
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.556	192,398
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.556	145,750
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.556	682,425
Passed through Community Partnership for Children, Inc.	D12-21-CHS-FTP, D12-21-CHS-CPA, D12-21-CHS-VIS, D12-21-CHS-ILP	93.556	248,139
Passed through Communities Connected for Kids, Inc.	CCK 22-103	93.556	28,504
Passed through Communities Connected for Kids, Inc.	CCK 20-104	93.556	15,251
Passed through Family Support Services of North Florida, Inc.	SPE 021 CHS 2AMDT	93.556	93,609
Passed through Heartland for Children, Inc.	RCHCM1	93.556	16,165
Passed through Kids Hope Alliance	70195-20	93.556	1,290,302
Passed through Lakeview Center, Inc.	C-002-401	93.556	273,745
Passed through Lakeview Center, Inc.	C-002-601	93.556	364,467
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-31	93.556	245,531
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-11	93.556	250,085
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-35	93.556	207,750
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-28	93.556	93,071
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-27	93.556	104,097
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-36	93.556	51,255
Program total			4,951,210
Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth Program:			
Direct—U.S. Department of Health and Human Services	90YO2379	93.557	137,437
Temporary Assistance for Needy Families Program:			
Passed through Big Bend Community Based Care, Inc.	0241	93.558	1,603
Passed through Big Bend Community Based Care, Inc.	0256	93.558	90,877
Passed through ChildNet, Inc.	CHS21ADP	93.558	8,545
Passed through Citrus Family Care Network	21-04, 24-25	93.558	839,615
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.558	700,148
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.558	449,553
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.558	98,296
Passed through Community Partnership for Children, Inc.	D12-21-CHS-FTP, D12-21-CHS-CPA, D12-21-CHS-VIS, D12-21-CHS-ILP	93.558	65,343
Passed through Communities Connected for Kids, Inc.	CCK 22-103	93.558	11,232
Passed through Communities Connected for Kids, Inc.	CCK 20-104	93.558	411,532
Passed through Family Support Services of North Florida, Inc.	SPE 021 CHS 2AMDT	93.558	2,844
Passed through Heartland for Children, Inc.	RCHCM1	93.558	440,523
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-31	93.558	449,492
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-11	93.558	457,829
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-35	93.558	380,326
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-28	93.558	170,385
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-27	93.558	190,570
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-36	93.558	93,832
Program total			4,862,545

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2022

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	Federal ALN Number	Federal Expenditures
Federal Awards (Continued):			
U.S. Department of Health and Human Services (Continued):			
Grants to States for Access and Visitation Program:			
Passed through Citrus Family Care Network	21-04, 21-25	93.597	$ 8,331
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.597	21,106
Passed through Community Partnership for Children, Inc.	D12-21-CHS-FTP, D12-21-CHS-CPA, D12-21-CHS-VIS, D12-21-CHS-ILP	93.597	19,156
Passed through Lakeview Center, Inc.	C-002-202	93.597	13,772
Program total			62,365
Head Start Program (Head Start Cluster):			
Direct—U.S. Department of Health and Human Services	04CH011310	93.600	2,002,292
Direct—U.S. Department of Health and Human Services (COVID-19)	04HE000308	93.600	178,732
Direct—U.S. Department of Health and Human Services	04CH011980	93.600	1,441,366
Passed through Community Coordinated Care for Children, Inc.	04HP000129-03-00	93.600	120,544
Passed through Community Coordinated Care for Children, Inc.	04CH011019-02-01	93.600	120,332
Program total (Head Start Cluster)			3,863,266
Basic Center Grant Program:			
Direct—U.S. Department of Health and Human Services	90CY7236	93.623	205,468
Direct—U.S. Department of Health and Human Services	90CY7174	93.623	215,025
Program total			420,493
Stephanie Tubbs Jones Child Welfare Services Program:			
Passed through Big Bend Community Based Care, Inc.	0256	93.645	53,109
Passed through Citrus Family Care Network	21-04, 21-25	93.645	456,937
Passed through Community Partnership for Children, Inc.	D12-21-CHS-FTP, D12-21-CHS-CPA, D12-21-CHS-VIS, D12-21-CHS-ILP	93.645	30,113
Passed through Communities Connected for Kids, Inc.	CCK 22-104	93.645	240,502
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.645	347,256
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.645	218,960
Passed through Heartland for Children, Inc.	RCHCM1	93.645	255,048
Program total			1,601,925
Foster Care Title IV—E Program:			
Passed through Big Bend Community Based Care, Inc.	0241	93.658	919
Passed through Big Bend Community Based Care, Inc.	0256	93.658	168,302
Passed through Children's Network of Southwest Florida, L.L.C.	BBT04	93.658	22,008
Passed through Citrus Family Care Network	21-04, 21-25	93.658	1,446,207
Passed through Community Partnership for Children, Inc.	D12-21-CHS-FTP, D12-21-CHS-CPA, D12-21-CHS-VIS, D12-21-CHS-ILP	93.658	119,647
Passed through Communities Connected for Kids, Inc.	CCK 22-220	93.658	2,087
Passed through Communities Connected for Kids, Inc.	CCK 22-104	93.658	748,222
Passed through Communities Connected for Kids, Inc.	Rate Agreement	93.658	3,991
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.658	1,167,402
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.658	756,601
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.658	115,137
Passed through Heartland for Children, Inc.	RCHCM1	93.658	808,926
Program total			5,359,449
Adoption Assistance Program:			
Passed through Big Bend Community Based Care, Inc.	0241	93.659	58,047
Passed through Big Bend Community Based Care, Inc.	0256	93.659	14,620
Passed through ChildNet, Inc.	CHS21ADP	93.659	308,652
Passed through Citrus Family Care Network	21-04, 21-25	93.659	270,290
Passed through Community Partnership for Children, Inc.	D12-21-CHS-FTP, D12-21-CHS-CPA, D12-21-CHS-VIS, D12-21-CHS-ILP	93.659	11,981
Passed through Communities Connected for Kids, Inc.	CCK 22-103	93.659	405,696
Passed through Communities Connected for Kids, Inc.	CCK 22-104	93.659	66,204
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.659	202,960
Passed through Embrace Families Community Based Care, Inc.	SEMOROS-005-2023	93.659	112,839
Passed through Family Support Services of North Florida, Inc.	SPE 021 CHS 2AMDT	93.659	102,711
Passed through Heartland for Children, Inc.	RCHCM1	93.659	218,175
Program total			1,772,175

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2022

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	Federal ALN Number	Federal Expenditures
Federal Awards (Continued):			
U.S. Department of Health and Human Services (Continued):			
Social Services Block Grant Program:			
Passed through Communities Connected for Kids, Inc.	CCK22-220	93.667	$ 1,234
Passed through Florida Department of Health	CP114	93.667	329,414
Passed through Florida Department of Health	CP12B	93.667	238,840
Passed through Florida Department of Health	CP115	93.667	309,707
Program total			879,195
Child Abuse and Neglect State Grants Program:			
Passed through Community Partnership for Children, Inc.	D12-21-CHS-FTP, D12-21-CHS-CPA, D12-21-CHS-VIS, D12-21-CHS-ILP	93.669	16,598
Passed through Heartland for Children, Inc.	RCHCM1	93.669	423
Passed through Lakeview Center, Inc.	C-002-202	93.669	1,370
Passed through Lakeview Center, Inc.	C-002-800	93.669	26,693
Passed through Lakeview Center, Inc.	C-002-401	93.669	10,048
Passed through Lakeview Center, Inc.	C-002-601	93.669	7,794
Passed through Lakeview Center, Inc.	54-1-SVC	93.669	724
Program total			63,650
John H. Chafee Foster Care Program for Successful Transition to Adulthood Program:			
Passed through Big Bend Community Based Care, Inc.	0256	93.674	50,038
Passed through Children's Network of Southwest Florida, L.L.C.	BBT04	93.674	243,843
Passed through Citrus Family Care Network	21-04, 21-25	93.674	177,107
Passed through Community Partnership for Children, Inc.	D12-21-CHS-FTP, D12-21-CHS-CPA, D12-21-CHS-VIS, D12-21-CHS-ILP	93.674	257,445
Passed through Heartland for Children, Inc.	RCHCM1	93.674	58,093
Program total			786,526
Medical Assistance Program (Medicaid Cluster):			
Passed through Healthy Start Coalition of Santa Rosa County, Inc.	HSSR1920-R1A1	93.778	206,172
Passed through Healthy Start Coalition of Santa Rosa County, Inc.	HSC1920	93.778	81,181
Passed through Healthy Start of North Central Florida, Inc.	PUT-2122	93.778	133,800
Passed through Northeast Florida Healthy Start Coalition, Inc.	None	93.778	362,004
Passed through The Healthy Start Coalition of Flagler & Volusia Counties, Inc.	HS-DS-19/20-07 R2	93.778	356,827
Program total (Medicaid Cluster)			1,139,984
Maternal, Infant and Early Childhood Home Visiting Grant Program:			
Passed through The Ounce of Prevention Fund of Florida, Inc.	HF-21-22-35M	93.870	508,712
Block Grants for Community Mental Health Services Program:			
Passed through Central Florida Cares Health System, Inc.	CHS24	93.958	331,159
Passed through Lutheran Services Florida, Inc.	ME053	93.958	191,547
Program total			522,706
Maternal and Child Health Services Block Grant to the States Program:			
Passed through The Capital Area Healthy Start Coalition, Inc.	HSLEON-2021-22	93.994	482,806
Passed through The Healthy Start Coalition of Flagler & Volusia Counties, Inc.	HS-DS-19/20-07 R2	93.994	30,136
Passed through Healthy Start of North Central Florida, Inc.	PUT-2122	93.994	87,126
Passed through Northeast Florida Healthy Start Coalition, Inc.	None	93.994	259,850
Program total			859,918
Total U.S. Department of Health and Human Services			28,339,483
Total expenditures of federal awards			29,931,203

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2022

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	State CSFA Number	State Expenditures
State Financial Assistance:			
Florida Department of Legal Affairs and Attorney General:			
Florida Network of Children's Advocacy Centers Program:			
Passed through Florida Network of Children's Advocacy Centers, Inc.	21/22-GR-CAC-05	41.031	$ 124,748
Passed through Florida Network of Children's Advocacy Centers, Inc.	21/22-GR-CAC-18	41.031	181,496
Total Florida Department of Legal Affairs and Attorney General			306,244
Florida Department of Education and Commissioner of Education:			
School and Instructional Enhancement Program:			
Passed through Heartland for Children, Inc.	RCHST1	48.040	3,900
Total Florida Department of Education and Commissioner of Education			3,900
Florida Department of Children and Families:			
Out-Of-Home Supports Program:			
Passed through ChildNet, Inc.	None	60.074	22,850
Passed through Citrus Family Care Network	21-04, 21-25	60.074	687,710
Passed through Community Partnership for Children, Inc.	D12-21-CHS-FTP, D12-21-CHS-CPA, D12-21-CHS-VIS, D12-21-CHS-ILP	60.074	55
Passed through Heartland for Children, Inc.	RCHCM1	60.074	30,045
Passed through Heartland for Children, Inc.	RCHCM1	60.074	4,495
Passed through Heartland for Children, Inc.	RCHCM1	60.074	96,207
Program total			841,362
CBC - Adoption Services Program:			
Passed through Citrus Family Care Network	21-04, 21-25	60.076	222,871
Passed through Family Support Services of North Florida, Inc.	SPE 021 CHS 2AMDT	60.076	5,978
Program total			228,849
The Independent Living and Road-to-Independence Program:			
Passed through Communities Connected for Kids, Inc.	Rate Agreement	60.112	650
Florida Network Children's Advocacy Center Program:			
Passed through Florida Network of Children's Advocacy Centers, Inc.	21-22-DCF-CAC-18	60.124	3,150
CBC - Purchase of Therapeutic Services for Children Program:			
Passed through Child Net, Inc.	None	60.183	3,832
Total Florida Department of Children and Families			1,077,843
Florida Department of Health:			
Medical Services for Abused and Neglected Children Program:			
Direct—Florida Department of Health	CP114	64.006	592,586
Direct—Florida Department of Health	CP12B	64.006	284,999
Direct—Florida Department of Health	CP115	64.006	441,513
Program total			1,319,098
Children's Special Health Care—Developmental Evaluation Program:			
Direct—Florida Department of Health	COQZB	64.022	1,704,019
Total Florida Department of Health			3,023,117

(Continued)

The Children's Home Society of Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended June 30, 2022

Grantor/Program Title/Pass-Through	Pass-Through Entity Identifying Number	State CSFA Number	State Expenditures
State Financial Assistance (Continued):			
Florida Department of Highway Safety and Motor Vehicles:			
Child Abuse Prevention and Intervention License Plate Project Program:			
Direct—Florida Department of Highway Safety and Motor Vehicles	None	76.067	$ 73,970
Passed through Florida Network of Children's Advocacy Centers, Inc.	21/22-LPVC-CAC-18	76.067	4,628
Total Florida Department of Highway Safety and Motor Vehicles			78,598
Florida Department of Juvenile Justice:			
Children and Families in Need of Services Program:			
Passed through Florida Network of Youth and Family Services, Inc.	Osceola	80.005	154,223
Passed through Florida Network of Youth and Family Services, Inc.	Treasure Coast	80.005	947,396
Passed through Florida Network of Youth and Family Services, Inc.	West Palm Beach	80.005	978,026
Program total			2,079,645
Delinquency Prevention Program:			
Direct—Florida Department of Juvenile Justice	10563	80.029	111,841
Total Florida Department of Juvenile Justice			2,191,486
Total expenditures of state financial assistance			6,681,188
Total expenditures of federal awards and state financial assistance			$ 36,612,391

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

The Children's Home Society of Florida

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2022

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal award and state financial assistance project activity of The Children's Home Society of Florida, under programs of the federal government and the State of Florida for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Florida Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of The Children's Home Society of Florida, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Children's Home Society of Florida.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and cost principles established by the State of Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

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

Note 4. Subrecipients

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

The Children's Home Society of Florida

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I—Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
93.645	Stephanie Tubbs Jones Child Welfare Services Program
93.658	Foster Care Title IV - E Program
93.778	Medical Assistance Program (Medicaid Cluster)

Dollar threshold used to distinguish between type A and type B federal programs:	$ 897,936	
Auditee qualified as low-risk auditee?	X Yes	____ No

(Continued)

The Children's Home Society of Florida

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022

Section I—Summary of Auditor's Results (Continued)

State Financial Assistance Projects

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

Identification of major programs:

CSFA Number(s)	Name of State Financial Assistance Project
60.074	Out-Of-Home Supports Program
64.022	Children's Special Health Care—Developmental Evaluation Program
80.005	Children and Families in Need of Services Program

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

Section II—Financial Statement Findings

No matters to report.

Section III—Findings and Questioned Costs for Federal Awards and State Financial Assistance

No matters to report.

Section IV—Other Reporting

There was no management letter (as defined by Section 10.654(1)(e), *Rules of the Florida Auditor General*) issued in connection with this audit.

The Children's Home Society of Florida

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022

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