2022

Kids Central, Inc. and Subsidiaries

Financial Statements and Independent Auditor's Report

June 30, 2022

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

KIDS CENTRAL, INC. AND SUBSIDIARIES
WILDWOOD, FLORIDA

JUNE 30, 2022

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PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Kids Central, Inc.
Wildwood, Florida

Opinion
We have audited the accompanying financial statements of Kids Central, Inc. and Subsidiaries (the Corporation), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation 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 Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Kids Central, Inc.
Wildwood, Florida

INDEPENDENT AUDITOR'S REPORT

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 generally accepted 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 the one resulting from error, as fraud my involve collusion, forgery, intentional omissions, misrepresentations, or that 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 generally accepted 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 Corporation'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 Corporation's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such

INDEPENDENT AUDITOR'S REPORT

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2023, on our consideration of the Corporation's internal control over financial reporting and our tests of 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 Corporation'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 Corporation's internal control over financial reporting and compliance.

Purvis Gray

January 26, 2023
Ocala, Florida

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

ASSETS

	2022	2021
Current Assets		
Cash and Cash Equivalents	$ 10,269,462	$ 9,398,131
Grants and Provider Receivable	895,187	412,316
Unbilled Grants Receivable	1,103,445	950,334
Prepaid Expenses	190,847	94,734
Other Receivable	5,953	6,319
Total Current Assets	12,464,894	10,861,834
Property and Equipment, Net of Accumulated Depreciation	1,020,794	275,553
Non-Current Assets		
Restricted Cash - Client Trust Funds	357,122	510,689
Investments	-	769,176
Other Assets	131,232	137,448
Total Non-Current Assets	488,354	1,417,313
Total Assets	13,974,042	12,554,700

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable - Operating	3,429,801	2,261,453
Accounts Payable - DCF	1,356,490	1,871,334
Accrued Payroll and Related Expenses	2,005,377	1,745,627
Deferred Revenue	2,665,327	3,291,583
Total Current Liabilities	9,456,995	9,169,997
Non-Current Liabilities		
Master Trust Liability	355,738	510,689
Total Non-Current Liabilities	355,738	510,689
Total Liabilities	9,812,733	9,680,686
Net Assets		
Without Donor Restrictions:		
Invested in Property and Equipment	1,020,794	275,553
Undesignated	3,140,515	2,598,461
Total Net Assets	4,161,309	2,874,014
Total Liabilities and Net Assets	$ 13,974,042	$ 12,554,700

See accompanying notes.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

	2022	2021
Revenues		
State and Federal Revenues		
DCF Contracts:		
DCF Services Contract	$ 61,018,549	$ 52,960,377
Grants - Other	797,541	2,460,242
Total State and Federal Revenues	61,816,090	55,420,619
Other Revenues		
Contributions of Cash and Other Financial Assets	133,212	107,190
Contributions of Non-Financial Assets	51,360	68,160
Interest Income	15,397	11,046
Gain/(Loss) on Investments	(95,795)	18,556
Contractual Service Revenue	3,191,584	2,214,924
Other Revenue	191,712	209,784
Total Other Revenues	3,487,470	2,629,660
Total Revenues	65,303,560	58,050,279
Expenses		
Programs		
Foster Care	8,795,978	5,984,852
Residential Group Care and Emergency Shelter	7,704,456	5,969,241
Adoption	14,864,384	13,756,488
Case Management	20,476,172	20,983,940
Recruitment and Licensing	1,594,820	1,496,759
Independent Living	1,564,649	999,087
Diversion and Prevention	3,242,101	3,264,687
Other Grants	3,299,723	2,727,025
Total Programs	61,542,283	55,182,079
Management and General	2,469,904	2,543,806
Fundraising	4,078	71,956
(Total Expenses)	(64,016,265)	(57,797,841)
Change in Net Assets	1,287,295	252,438
Net Assets, Beginning of Year	2,874,014	2,621,576
Net Assets, End of Year	$ 4,161,309	$ 2,874,014

See accompanying notes.

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

	2022 Program Expenses				
	Foster Care	Residential Group Care and Emergency Shelter	Adoption	Case Management	Recruitment and Licensing
Salaries and Benefit Expenses					
Salaries	$ -	$ -	$ 824,372	$ 6,546,448	$ 982,988
Benefits	-	-	177,440	1,318,989	262,196
Total Salaries and Benefit Expenses	-	-	1,001,812	7,865,437	1,245,184
Other Expenses					
Out-of-Home Care Payments	8,262,549	7,702,693	12,616,672	9,100	-
Contracted Services	393,626	1,763	1,083,024	10,710,051	2,339
Flex Funds	-	-	-	19,076	-
Staff Recuritment	-	-	-	4,900	-
Training	-	-	4,925	19,248	4,442
Travel	49	-	15,075	224,622	25,970
Occupancy and Utilities	-	-	33,450	368,933	66,982
Telephone and Data Lines	180	-	9,983	134,814	28,339
Supplies	8,157	-	17,078	158,871	2,945
Postage	-	-	1,390	13,535	1,320
Professional Fees	9,040	-	9,977	410,204	92,367
Consultants	-	-	-	102,650	-
Insurance	-	-	11,890	103,075	41,549
Minor Equipment and Maintenance	18,000	-	7,616	98,671	20,826
Other Expenses	104,377	-	50,109	88,600	56,551
Total Other Expenses	8,795,978	7,704,456	13,861,189	12,466,350	343,630
Total Expenses Before Depreciation	8,795,978	7,704,456	14,863,001	20,331,787	1,588,814
Depreciation	-	-	1,383	144,385	6,006
Total Expenses	$ 8,795,978	$ 7,704,456	$ 14,864,384	$ 20,476,172	$ 1,594,820

See accompanying notes.

	2022 Program Expenses					
Independent Living	Diversion and Prevention	Other Grants	Total	Management and General	Fundraising	Combined Total
$ 297,987	$ 1,639,949	$ 1,727,123	$ 12,018,867	$ 1,526,457	$ (1,287)	$ 13,544,037
77,766	494,669	478,285	2,809,345	330,281	(369)	3,139,257
375,753	2,134,618	2,205,408	14,828,212	1,856,738	(1,656)	16,683,294
1,049,410	-	-	29,640,424	-	-	29,640,424
-	376,258	693,000	13,260,061	896	-	13,260,957
-	2,487	-	21,563	-	-	21,563
-	-	1,133	6,033	511	-	6,544
1,085	23,950	29,207	82,857	5,830	-	88,687
12,332	64,043	18,849	360,940	14,521	-	375,461
18,928	192,920	110,091	791,304	106,247	2,676	900,227
8,096	69,882	38,567	289,861	26,854	705	317,420
1,786	8,181	60,254	257,272	32,046	1	289,319
393	2,612	610	19,860	1,640	54	21,554
8,640	119,783	34,272	684,283	86,374	1,218	771,875
-	31,489	7,341	141,480	93,862	-	235,342
13,693	65,321	49,964	285,492	46,762	43	332,297
6,168	46,879	19,194	217,354	95,499	596	313,449
66,683	91,078	1,451	458,849	76,062	205	535,116
1,187,214	1,094,883	1,063,933	46,517,633	587,104	5,498	47,110,235
1,562,967	3,229,501	3,269,341	61,345,845	2,443,842	3,842	63,793,529
1,682	12,600	30,382	196,438	26,062	236	222,736
$ 1,564,649	$ 3,242,101	$ 3,299,723	$ 61,542,283	$ 2,469,904	$ 4,078	$ 64,016,265

See accompanying notes.

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

	2021 Program Expenses				
	Foster Care	Residential Group Care and Emergency Shelter	Adoption	Case Management	Recruitment and Licensing
Salaries and Benefit Expenses					
Salaries	$ -	$ -	$ 525,141	$ 5,467,549	$ 934,023
Benefits	-	-	111,442	1,172,649	252,943
Total Salaries and Benefit Expenses	-	-	636,583	6,640,198	1,186,966
Other Expenses					
Out-of-Home Care Payments	5,849,766	5,969,241	11,814,159	133	-
Contracted Services	16,827	-	1,193,875	13,033,728	-
Flex Funds	-	-	4,850	14,789	-
Staff Recruitment	-	-	-	-	-
Training	-	-	999	5,160	2,744
Travel	-	-	4,387	123,434	19,159
Occupancy and Utilities	-	-	23,725	310,440	61,660
Telephone and Data Lines	196	-	6,107	94,478	29,486
Supplies	-	-	964	11,607	4,096
Postage	-	-	787	9,683	2,239
Professional Fees	-	-	3,598	275,623	67,512
Consultants	-	-	-	49,408	9,925
Insurance	-	-	10,060	104,190	38,307
Minor Equipment and Maintenance	18,000	-	4,330	69,823	15,499
Other Expenses	100,063	-	50,888	107,422	53,107
Total Other Expenses	5,984,852	5,969,241	13,118,729	14,209,918	303,734
Total Expenses Before Depreciation	5,984,852	5,969,241	13,755,312	20,850,116	1,490,700
Depreciation	-	-	1,176	133,824	6,059
Total Expenses	$ 5,984,852	$ 5,969,241	$ 13,756,488	$ 20,983,940	$ 1,496,759

See accompanying notes.

2021 Program Expenses						
Independent Living	Diversion and Prevention	Other Grants	Total	Management and General	Fundraising	Combined Total
$ 308,231	$ 1,743,931	$ 1,435,827	$ 10,414,702	$ 1,538,400	$ 49,951	$ 12,003,053
57,781	548,318	382,370	2,525,503	346,753	14,493	2,886,749
366,012	2,292,249	1,818,197	12,940,205	1,885,153	64,444	14,889,802
546,304	-	-	24,179,603	-	-	24,179,603
-	191,882	511,525	14,947,837	5,845	-	14,953,682
-	-	-	19,639	-	-	19,639
-	-	210	210	93	-	303
-	3,933	13,419	26,255	1,710	-	27,965
7,931	64,593	12,604	232,108	3,149	-	235,257
18,241	189,317	88,941	692,324	91,029	2,512	785,865
8,532	73,658	35,515	247,972	26,634	1,254	275,860
791	7,173	74,296	98,927	15,176	79	114,182
659	4,431	1,110	18,909	2,388	90	21,387
5,496	94,622	29,839	476,690	150,546	765	628,001
-	141,486	11,465	212,284	157,142	-	369,426
12,431	74,689	41,466	281,143	43,749	1,718	326,610
4,669	53,030	36,556	201,907	82,938	641	285,486
26,226	60,642	27,880	426,228	60,640	206	487,074
631,280	959,456	884,826	42,062,036	641,039	7,265	42,710,340
997,292	3,251,705	2,703,023	55,002,241	2,526,192	71,709	57,600,142
1,795	12,982	24,002	179,838	17,614	247	197,699
$ 999,087	$ 3,264,687	$ 2,727,025	$ 55,182,079	$ 2,543,806	$ 71,956	$ 57,797,841

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

	2022	2021
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	$ 1,287,295	$ 253,229
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	222,736	197,697
(Gain)/Loss on Investment	6,216	-
(Gain)/Loss on Disposal of Fixed Assets	1,983	8
Loan Forgiveness - PPP	-	(1,732,700)
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):		
Grants Receivable	(482,871)	515,034
Unbilled Grants Receivable	(153,111)	(297,105)
Prepaid Expenses	(96,113)	27,090
Other Assets	366	7,104
Accounts Payable	653,504	1,043,599
Accrued Payroll and Payroll Taxes	259,750	546,376
Deferred Revenue	(626,256)	3,022,374
Master Trust Liability	(154,951)	231,048
Net Cash Provided by (Used in) Operating Activities	918,548	3,813,754
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(969,960)	(99,851)
Cash Received for Interest and Dividends	15,397	-
Loss on Investments	(95,795)	-
(Purchases)/Sales of Investments	849,574	(769,176)
Net Cash Provided by (Used in) Investing Activities	(200,784)	(869,027)
Net Increase (Decrease) in Cash and Cash Equivalents	717,764	2,944,727
Cash and Cash Equivalents, Beginning of Year	9,908,820	6,964,093
Cash and Cash Equivalents, End of Year	$ 10,626,584	$ 9,908,820
Reconciliation of Cash and Cash Equivalents to the Statements of Financial Position		
Cash and Cash Equivalents	$ 10,269,462	$ 9,398,131
Restricted Cash - Client Trust Funds	357,122	510,689
Total Cash and Cash Equivalents	$ 10,626,584	$ 9,908,820

See accompanying notes.

Note 1 - Summary of Significant Accounting Principles

Organization

The accompanying consolidated financial statements include the following entities:

Kids Central, Inc. (the Corporation) is a not-for-profit organization organized under the laws of the State of Florida, receiving most of its revenue from state and federal funds. The Corporation was formed March 22, 2002, pursuant to the *Florida Not-for-Profit Organization Act*, Chapter 617, Florida Statutes. The Corporation is a community-based care agency that serves as a lead agency in the privatization of foster care services in accordance with Section 409.1671 of the Florida Statutes in Marion, Lake, Citrus, Sumter, and Hernando Counties, Florida. The services provided as a lead agency include:

- Providing Child Protection and Welfare Services to Children
- Procuring the Following Items on Behalf of Children: Foster Care, Emergency Shelter, and Group Home Care
- Helping Abused, Neglected, and Abandoned Children
- Providing Community Education about the Needs and Issues of Children

The Corporation is governed by a Board of Directors made up of individuals who are nominated by a nominating committee and elected by the Board of Directors.

Community Behavioral Health Approach, LLC (CBHA, LLC) is a wholly owned subsidiary of the Corporation and was created to establish a network of qualified subcontracts to provide comprehensive behavioral health assessments for the children placed in the Corporation's care.

Basis of Accounting

The Corporation follows standards of accounting and financial reporting prescribed for non-profit organizations. It uses the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred.

Financial Statement Presentation

Financial statement presentation follows *Accounting Standards Codification* (ASC) 958-205, *Financial Statements of Not-For-Profit Organizations*. Under ASC 958-205, the Corporation is required to report information regarding its financial positions and activities as follows:

- Without Donor Restrictions
- With Donor Restrictions

Without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Corporation and/or passage of time. When a restriction expires, with donor restriction assets are reclassified to without donor restrictions, and reports in the statement of activities as net assets released from restrictions.

Recognition of Donor-Restricted Contributions
Support that is restricted by the donor is reported as an increase in with donor restrictions. When a restriction expires, the net assets classified as with donor restrictions would be reclassified to without donor restrictions. Under this premise, the Corporation accounts for its funding from the Florida Department of Children and Families (DCF) as one unrestricted function.

Restricted Cash – Client Trust Funds
Cash restricted and set aside on behalf of clients is not available for operating purposes. These funds are maintained in their own designated bank account.

Grants Receivable and Accounts Receivable
Receivables are recorded by the Corporation for funds to be received from various federal and state grants as revenues are earned. The grants receivable balance includes amounts due under the DCF contract for the current fiscal year, including amounts recorded as deferred revenues to be earned subsequent to year-end. An allowance for uncollectible receivables has not been recorded, as all amounts are deemed collectible. It is the Corporation's policy to charge-off uncollectible accounts receivable when management determines the receivable will not be collected.

Property and Equipment
The Corporation capitalizes all property and equipment with a cost of greater than $1,000 and an estimated useful life exceeding one year. Property and equipment, consisting of office furniture, equipment, and software are recorded at cost if purchased, or fair value if donated, and depreciated over their estimated useful lives of three to seven years using the straight-line method. Vehicles are recorded at cost and depreciated over their estimated useful lives of seven years using the straight-line method. Repairs and maintenance are expensed as incurred.

The Corporation owns property and equipment whose acquisition has been funded by various federal and state programs. The use, removal, or replacement of this property and equipment is controlled by the granting agency and title may revert back to the agency in the event the activities of the program are prematurely terminated.

Donated Space, Supplies, and Services
In accordance with ASC 958-605-50-1, *Contributions of Services*, shall be recognized if the services received: (a) create or enhance non-financial assets; or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet the above criteria are not recognized.

Certain federal and state grants require matching contributions from the community and the receiving entity. The Corporation treats the matching contributions provided to sub-recipients as matching contributions received by the Corporation. In some instances, federal grant matching contribution requirements are met with state funding.

Income Taxes
The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

The Corporation files income tax returns in the U.S. federal and state jurisdictions. With few exceptions, the Corporation is no longer subject to U.S. federal, state, and local, or non-U.S. income tax examinations by tax authorities after three years from the due date of the tax return.

Cash and Cash Equivalents
Cash and cash equivalents consist solely of demand accounts in the name of the Corporation. Funds held at year-end and at various times during the year exceeded the limits under the Federal Deposit Insurance Corporation.

Investments
Investments in equities with readily determinable market values are recorded at fair value. Unrealized and realized gains and losses on these investments are reported in the statement of revenues and expenses without donor restrictions and in the statement of changes in net assets.

Deferred Revenues
The Corporation receives advanced funding through the year from DCF. The unearned portion of those funds is classified as deferred revenues. The balance of deferred revenues may include amounts received and receivable.

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

Contracts and Grants
The majority of the Corporation's revenue is derived from advanced funded and cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. In accordance with the Financial Accounting Standards Board (FASB) ASC 958-605, *Not-for-P*rofits, revenue is recognized when the Corporation has incurred eligible expenditures in compliance with specific contracts or grant provisions. Amounts that have been received, but not yet earned, are reported in the financial statements as deferred revenues. Any expenses that have been incurred, but not yet reimbursed, are reported as unbilled grants receivable.

Functional Allocation of Expenses
The Corporation incurs costs that are directly or indirectly allocatable to its programs. These costs and their allocations have been reported in the statement of functional expenses. Direct costs are allocated directly to the programs through the Corporation's account coding function. Indirect costs are allocated to the programs based on one of the following methodologies: 1) number of full-time equivalent positions; 2) number of actual employees; 3) by individual employee; or 4) by the number of children served in the program. The allocations are in accordance with the annual Cost Allocation Plan prepared by the Corporation and approved by DCF.

Paycheck Protection Program

The Corporation received a Paycheck Protection Program (PPP) loan during the COVID-19 pandemic. PPP loan funds were expended on expenses that the Corporation has determined eligible for forgiveness and expects the entire amount of PPP loan funds to be forgiven and not require payment. Therefore, the Corporation has applied ASC 470, under which the funds are initially recorded as a liability and recognized as a gain on extinguishment of debt once the conditions of release (forgiveness) have been substantially met. See Note 7 for additional information on PPP loan funds received.

Accounting Pronouncement Issued But Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases.* The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the matter of expense recognition in the income statement. The new standard is effective for years beginning after December 15, 2021. A modified retrospective transition approach is required for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Corporation is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

Note 2 - Liquidity and Available Resources

The following reflects the Corporation's financial assets as of the balance sheet date, consisting of cash and cash equivalents, investments, and grants and provider receivable, reduced by amounts not available for general use because of contractual or donor-imposed restrictions:

Financial Assets, as of June 30, 2022	$ 12,762,402
(Less Restricted Cash – Client Trust Funds)	(357,123)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 12,405,279

The Corporation also has a $500,000 line of credit available to meet short-term operating needs if required (see Note 7).

Note 3 - Investments

Investments as of June 30, 2022, are summarized as follows:

Mutual Funds	$ -
Total Investments	$ -

Investments as of June 30, 2021, are summarized as follows:

Mutual Funds	$ 769,176
Total Investments	$ 796,176

Note 4 - Fair Value

Authoritative guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.

Level 2—Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the assets.
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

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

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

The assets' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maintain the use of observable inputs and minimize the use of unobservable inputs.

As of June 30, 2022, the Corporation's investments in mutual funds were its only financial instruments required to be recorded at fair value. These investments were valued based upon the closing price reported in the active markets.

		Fair Value Measurement at June 30, 2022		
	Market Value	Level 1	Level 2	Level 3
Mutual Funds	$ -	$ -	$ -	$ -

		Fair Value Measurement at June 30, 2021		
	Market Value	Level 1	Level 2	Level 3
Mutual Funds	$ 769,176	$ 769,176	$ -	$ -

Note 5 - Property and Equipment

The following is a schedule of property and equipment owned by the Corporation:

	Balance at June 30, 2022
Furniture and Equipment	$ 1,941,405
Vehicles	1,175,132
(Accumulated Depreciation)	(2,095,743)
Property and Equipment, Net of Accumulated Depreciation	$ 1,020,794

	Balance at June 30, 2021
Furniture and Equipment	$ 2,133,789
Vehicles	1,113,993
(Accumulated Depreciation)	(2,972,229)
Property and Equipment, Net of Accumulated Depreciation	$ 275,553

Total depreciation expense for all property and equipment as of June 30, 2022 and 2021, was $222,736 and $197,699, respectively.

Note 6 - Non-Cash Donations and Donated Services

During the fiscal years ended June 30, 2022 and 2021, the Corporation received non-cash donations of new and used clothing, toys, and household items that have not been reflected in the accompanying financial statements. These items were distributed to clients in various programs. Management estimates the fair market value of these non-cash donations to be approximately $181,907 and $193,733 for 2022 and 2021, respectively.

The Corporation received services from 13 and 19 volunteers for fiscal years ended June 30, 2022 and 2021, respectively. These donated services have not been recognized in the accompanying financial statements because they did not meet the criteria for recognition under GAAP, FASB ASC 958-605-15-4, *Revenue Recognition*. The Corporation estimates the value of these donated services to be approximately $29,748 and $56,880 for the years ended June 30, 2022 and 2021, respectively.

The types of services provided by the volunteers contributed to community collaborations, daily operations within the Corporation, and to clients indirectly.

Note 7 - Debt

Short-Term Debt – Line of Credit

The Corporation has one line of credit payable, which may be used for operating purposes with no outstanding balance, as of June 30, 2022 and 2021. The Corporation has an available $500,000 of un-advanced funds available on the approved line of credit with Wells Fargo.

Long-Term Debt – PPP

The Corporation received $1,732,700 from a Small Business Administration PPP loan in April 2020 from Citizen's First Bank with an interest rate of 1%. The loan was to be paid in one principal payment of $1,732,700 plus interest not yet paid on April 15, 2022. The Corporation applied to Citizen's First Bank for forgiveness of the amount due on this loan in the amount equal to the sum of payroll costs, any payment of interest on a covered mortgage obligation, any covered rent obligation, or any covered utility expense which were incurred by the Corporation during the 8-week period beginning on the first date of the first disbursement of this loan. As of May 26, 2021, the PPP loan was forgiven.

Note 8 - Operating Leases

The Corporation has a non-cancelable operating lease for office space through August 2027, and an operating lease for office equipment that runs through June 2024. The office space rental agreement is renewable at the end of the agreement. The non-cancelable operating lease is scheduled as follows:

	6/30/22 Lease	Future Minimum Lease Payments				
Description	Expense	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27
Office Space	$ 1,050,480	$ 760,277	$ 674,738	$ 675,099	$ 659,133	$ 107,099
Office Equipment	74,428	62,748	2,929	-	-	-
Totals	$ 1,124,908	$ 823,025	$ 677,667	$ 675,099	$ 659,133	$ 107,099

	6/30/21 Lease	Future Minimum Lease Payments				
Description	Expense	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26
Office Space	$ 828,693	$ 641,357	$ 619,744	$ 615,624	$ 102,940	$ -
Office Equipment	42,895	25,988	22,688	1,891	-	-
Totals	$ 871,588	$ 667,345	$ 642,432	$ 617,515	$ 102,940	$ -

Note 9 - Defined Contribution Pension Plan

The Corporation has a 401(k) defined contribution pension plan covering substantially all employees. This plan is the Kids Central, Inc. 401(k) Retirement Plan (the Plan). The Plan is administered by the Corporation and its Trustees are the Corporation's Board of Directors. Authority to amend the Plan rests with the Trustees. The matching contribution was 100% of each participant's contribution, up to 4% of each participating employee's compensation. Employees are immediately vested in the contributions to the Plan. Employer contributions, net of forfeitures (pension expense), to the Plan during the fiscal years ended June 30, 2022 and 2021, were $240,701 and $220,721, respectively.

Note 10 - Contingencies and Concentrations

Contingencies

Grants require the fulfillment of certain conditions set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although this is a possibility, the Board of Directors deems the contingency remote, since by accepting the grants and their terms it has accommodated the objectives of the Corporation to the provisions of the grants.

The Corporation has received from various parties, letters of intent to file lawsuits to which the Corporation would be named as a defendant. The Corporation is aware of one lawsuit that is pending litigation; however, the attorney for these matters is unable to conclude the likelihood of an adverse outcome is probable or remote.

Concentrations

The Corporation receives approximately 93% of its support from DCF (including federal portion). A significant reduction in the level of this support, if this were to occur, may have an effect on the Corporation's programs and activities. The current contract with DCF was signed on January 1, 2022, through December 31, 2026.

Note 11 - Investment in CBC Casualty

During 2016, the Corporation and four other community-based care lead agency corporations each made initial capital contributions of $50,000 to establish CBC Casualty Insurance, LLC (CBCCI). A sixth lead agency joined during 2018. CBCCI is an insurance captive established for the purpose of issuing deductible buy-back insurance policies and providing risk management support to the participating members. The Corporation and the other five members each own 16.67% of CBCCI.

Note 12 - Related Parties

In May of 2014, the Corporation became a limited partner in CBC Integrated Health, LLC to continue providing care coordination and administrative services for both mental and general health for children in care. The Corporation provided child welfare health coordination services under the contract during the years ended June 30, 2022 and 2021, recognizing revenue of $474,359 and $357,917, respectively.

Note 13 - Subsequent Events

The Corporation has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through January 26, 2023, the date the financial statements were available to be issued.

ADDITIONAL ELEMENTS OF REPORT PREPARED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED STATES; THE UNIFORM GUIDANCE; AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL* OF THE STATE OF FLORIDA

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

Board of Directors
Kids Central, Inc.
Wildwood, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of Kids Central, Inc. and Subsidiaries (the Corporation), a non-profit organization, which comprise the statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 26, 2023.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 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 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.

Board of Directors
Kids Central, Inc.
Wildwood, Florida

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

January 26, 2023
Ocala, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

Board of Directors
Kids Central, Inc.
Wildwood, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Kids Central, Inc. and Subsidiaries' (the Corporation) compliance with the types of compliance requirements described in the Office of Management and Budget's *Compliance Supplement,* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, which could have a direct and material effect on each of the Corporation's major federal programs and state projects for the year ended June 30, 2022. The Corporation's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation 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 project for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards and 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 Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related 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 or state project. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

Board of Directors
Kids Central, Inc.
Wildwood, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

Responsibilities of Management for Compliance

Management is responsible for compliance and 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 appliable to the Corporation's federal programs or state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* will always detect material non-compliance 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. Non-compliance 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 Corporation's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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 Corporation'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 Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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.

Board of Directors
Kids Central, Inc.
Wildwood, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

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, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Purvis Gray

January 26, 2023
Ocala, Florida

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

Grantor/Pass-Through Agency Program Title	Assistance Listing Number	Contract Number	Amounts Awarded to Sub-Recipients	Expenditures
Federal Awards				
U.S. Department of Health and Human Services				
Passed Through Mid Florida Area Agency on Aging, Inc.:				
National Family Caregiver Support (Title III, Part E)	93.052	00A-22-KCI	$ -	$ 9,782
Passed Through Central Healthy Start Coalition, Inc.:				
Medical Assistance Program	93.778	LAK-2022	-	763,748
Passed Through Healthy Start of North Central Florida Coalition, Inc.:				
Medical Assistance Program	93.778	ALA-2022	-	377,275
Passed Through State of Florida Department of Children and Families:				
Medical Assistance Program	93.778	PJ503	-	82,511
Medical Assistance Program	93.778	PJL04	-	89,060
Total Medical Assistance Program			-	1,312,594
Passed Through Well Florida Council:				
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	MIECHV-MAR-2022	-	317,409
Passed Through Healthy Start of North Central Florida Coalition, Inc.:				
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	MIECHV-ALA-2022	-	531,148
Total Maternal, Infant, and Early Childhood Home Visiting Grant Program			-	848,557
Passed Through Central Healthy Start Coalition, Inc.:				
Maternal and Child Health Services Block Grant to the States	93.994	LAK-2022	-	56,320
Passed Through Healthy Start of North Central Florida Coalition, Inc.:				
Maternal and Child Health Services Block Grant to the States	93.994	ALA-2022	-	12,806
Total Maternal and Child Health Services Block Grant to the States			-	69,126
Passed Through State of Florida Department of Children and Families:				
Guardianship Assistance	93.090	PJ503	-	55,594
Guardianship Assistance	93.090	PJL04	-	44,688
Total Guardianship Assistance			-	100,282
Promoting Safe and Stable Families	93.556	PJL04	539,548	707,453
Promoting Safe and Stable Families	93.556	PJ503	-	591,255
Promoting Safe and Stable Families	93.556	LJ977	-	83,449
Total Promoting Safe and Stable Families			539,548	1,382,157
Temporary Assistance for Needy Families (TANF)	93.558	PJ503	1,230,179	1,411,974
Temporary Assistance for Needy Families (TANF)	93.558	PJL04	-	1,356,731
Total Temporary Assistance for Needy Families (TANF)			1,230,179	2,768,705
Grants to States for Access and Visitation Programs	93.597	PJ503	21,420	16,664
Grants to States for Access and Visitation Programs	93.597	PJL04	-	16,663
Total Grants to States for Access and Visitation Programs			21,420	33,327

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

Grantor/Pass-Through Agency Program Title	Assistance Listing Number	Contract Number	Amounts Awarded to Sub-Recipients	Expenditures
Federal Awards				
Chafee Education and Training Vouchers Program (ETV)	93.599	PJ503	$ -	$ 64,632
Chafee Education and Training Vouchers Program (ETV)	93.599	PJL04	-	20,073
Total Chafee Education and Training Vouchers Program (ETV)			-	84,705
Adoption Incentive Payments	93.603	PJ503	-	162,098
Adoption Incentive Payments	93.603	PJL04	-	163,643
Total Adoption Incentive Payments			-	325,741
Stephanie Tubbs Jones Child Welfare Services Program	93.645	PJ503	-	650,650
Stephanie Tubbs Jones Child Welfare Services Program	93.645	PJL04	697,269	620,025
Total Stephanie Tubbs Jones Child Welfare Services Program			697,269	1,270,675
Foster Care (Title IV-E)	93.658	PJ503	2,185,081	5,085,966
Foster Care (Title IV-E)	93.658	PJL04	-	4,234,452
Total Foster Care (Title IV-E)			2,185,081	9,320,418
Adoption Assistance	93.659	PJ503	481,838	4,088,599
Adoption Assistance	93.659	PJL04	-	3,964,601
Total Adoption Assistance			481,838	8,053,200
Social Services Block Grant	93.667	PJ503	-	3,035,945
Social Services Block Grant	93.667	PJL04	-	2,232,431
Total Social Services Block Grant			-	5,268,376
Child Abuse and Neglect State Grants	93.669	PJ503	692,950	28,451
Child Abuse and Neglect State Grants	93.669	PJL04	-	22,551
Child Abuse and Neglect State Grants	93.669	PJZ02	-	852,539
Total Child Abuse and Neglect State Grants			692,950	903,541
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	PJ503	-	394,263
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	PJL04	-	240,658
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			-	634,921
Total Federal Awards			5,848,285	32,386,107

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

Grantor/Pass-Through Agency Program Title	CSFA Number	Contract Number	Amounts Awarded to Sub-Recipients	Expenditures
State Financial Assistance				
State of Florida Department of Children and Families				
Out-of-Home Supports	60.074	PJL04	$ -	$ 3,843,391
Out-of-Home Supports	60.074	PJ503	-	1,221,674
Total Out-of-Home Supports			-	5,065,065
CBC - Adoption Services	60.076	PJL04	-	19,205
CBC - Adoption Services	60.076	PJ503	-	91,991
Total CBC - Adoption Services			-	111,196
Independent Living Program	60.112	PJL04	-	102,438
Independent Living Program	60.112	PJ503	-	196,905
Total Indepdent Living Program			-	299,343
CBC - Sexually Exploited Children	60.138	PJL04	-	199,567
CBC - Sexually Exploited Children	60.138	PJ503	-	140,758
Total CBC - Sexually Exploited Children			-	340,325
Extended Foster Care Program	60.141	PJL04	-	102,460
Extended Foster Care Program	60.141	PJ503	-	100,655
Total Extended Foster Care Program			-	203,115
CBC - Purchase Therapeutic Services for Children	60.183	PJL04	-	59,418
CBC - Purchase Therapeutic Services for Children	60.183	PJ503	-	53,208
Total CBC - Purchase Therapeutic Services for Children			-	112,626
Guardianship Assistance Program	60.210	PJL04	-	28,681
Guardianship Assistance Program	60.210	PJ503	-	30,797
Total Guardianship Assistance Program			-	59,478
Kinship Navigator Program	60.207	PJ503	-	102,092
Family Finders Program	60.206	PJ503	-	62,538
Total State Financial Assistance			-	6,355,778
Total Federal Awards and State Financial Assistance			$ 5,848,285	$ 38,741,885

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2022 KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of Kids Central, Inc. and Subsidiaries (the Corporation) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The Corporation did not elect to use the 10% de minimis indirect cost rate as covered in 200.4.414, *Indirect (F&A) Costs*, of the Uniform Guidance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

Summary of Audit Results

Financial Statements

Type of Auditor's Report Issued:		Unmodified
Internal Control Over Financial Reporting:	Material weakness(es) identified?	No
	Significant deficiency(ies) identified?	No
Non-compliance material to financial statements noted?		No

Federal Awards and State Projects

Internal Control Over Major Programs and Projects:	Material weakness(es) identified?	No
	Significant deficiency(ies) identified?	No
Type of Auditor's Report Issued on Compliance for Major Programs and Projects:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.656?		No

Identification of Major Programs and Major State Projects:

Federal Programs:

Adoption Assistance	Assistance Listing No. 93.659
Medical Assistance Program	Assistance Listing No. 93.778
Promoting Safe and Stable Families	Assistance Listing No. 93.556
Social Services Grant	Assistance Listing No. 93.667

State Projects:

Out-of-Home Supports	CFSA No. 60.074

Dollar Threshold Used to Distinguish Between Type A and Type B programs – Federal Programs:	$971,583
Dollar Threshold Used to Distinguish Between Type A and Type B programs – State Programs:	$750,000
Auditee qualified as a low-risk auditee pursuant to the Uniform Guidance?	Yes

Other Matters

No management letter is required because there were no findings required to be reported in the management letter.

No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

PURVIS GRAY

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