2023

Kids Central, Inc. and Subsidiaries

Financial Statements and Independent Auditor's Report

June 30, 2023

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

KIDS CENTRAL, INC. AND SUBSIDIARIES
WILDWOOD, FLORIDA

JUNE 30, 2023

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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, 2023 and 2022, 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, 2023 and 2022, 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.

Emphasis of a Matter
As described in Note 1 to the financial statements, in 2023, the Corporation adopted new accounting guidance, the Financial Accounting Standards Boad Accounting Standards Update No. 2016-02, *Leases* (Topic 842). Our opinion was not modified with respect to this matter.

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.

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Wildwood, Florida

INDEPENDENT AUDITOR'S REPORT

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.

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,*

Board of Directors
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Wildwood, Florida

INDEPENDENT AUDITOR'S REPORT

and Audit Requirements for Federal Awards and Chapter 10.650, *Rules of the Auditor General*, 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 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 March 8, 2024, 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

March 8, 2024
Ocala, Florida

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

ASSETS

	2023	2022
Current Assets		
Cash and Cash Equivalents	$ 7,942,803	$ 10,269,462
Grants and Provider Receivable	1,075,072	895,187
Unbilled Grants Receivable	1,287,234	1,103,445
Prepaid Expenses	131,842	190,847
Other Receivable	5,479	5,953
Total Current Assets	10,442,430	12,464,894
Property and Equipment, Net of Accumulated Depreciation	1,174,115	1,020,794
Right-of-Use Operating Lease Assets, Net	2,683,779	-
Non-Current Assets		
Restricted Cash - Client Trust Funds	525,953	357,122
Other Assets	134,304	131,232
Total Non-Current Assets	660,257	488,354
Total Assets	14,960,581	13,974,042

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable - Operating	4,075,134	3,429,801
Accounts Payable - DCF	422,083	1,356,490
Accrued Payroll and Related Expenses	2,002,690	2,005,377
Deferred Revenue	746,004	2,665,327
Operating Lease Liabilities, Current Portion	820,850	-
Total Current Liabilities	8,066,761	9,456,995
Non-Current Liabilities		
Master Trust Liability	524,415	355,738
Operating Lease Liabilities, Net of Current Portion	1,846,421	-
Total Non-Current Liabilities	2,370,836	355,738
Total Liabilities	10,437,597	9,812,733
Net Assets		
Without Donor Restrictions:		
Invested in Property and Equipment	1,174,115	1,020,794
Undesignated	3,348,869	3,140,515
Total Net Assets	4,522,984	4,161,309
Total Liabilities and Net Assets	$ 14,960,581	$ 13,974,042

See accompanying notes.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

	2023	2022
Revenues		
State and Federal Revenues		
DCF Contracts:		
DCF Services Contract	$ 77,557,004	$ 61,018,549
Grants - Other	760,170	797,541
Total State and Federal Revenues	78,317,174	61,816,090
Other Revenues		
Contributions of Cash and Other Financial Assets	168,481	133,212
Contributions of Non-Financial Assets	51,360	51,360
Interest Income	1,630	15,397
Gain/(Loss) on Investments	-	(95,795)
Contractual Service Revenue	3,258,039	3,191,584
Other Revenue	125,290	191,712
Total Other Revenues	3,604,800	3,487,470
Total Revenues	81,921,974	65,303,560
Expenses		
Programs		
Foster Care	12,086,908	8,795,978
Residential Group Care and Emergency Shelter	10,996,851	7,704,456
Adoption	15,956,635	14,864,384
Case Management	26,237,332	20,476,172
Recruitment and Licensing	2,121,576	1,594,820
Independent Living	2,579,068	1,564,649
Diversion and Prevention	4,785,932	3,242,101
Other Grants	3,503,223	3,299,723
Total Programs	78,267,525	61,542,283
Management and General	3,205,528	2,469,904
Fundraising	87,246	4,078
(Total Expenses)	(81,560,299)	(64,016,265)
Change in Net Assets	361,675	1,287,295
Net Assets, Beginning of Year	4,161,309	2,874,014
Net Assets, End of Year	$ 4,522,984	$ 4,161,309

See accompanying notes.

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

	2023 Program Expenses				
	Foster Care	Residential Group Care and Emergency Shelter	Adoption	Case Management	Recruitment and Licensing
Salaries and Benefit Expenses					
Salaries	$ -	$ -	$ 949,853	$ 8,988,761	$ 1,367,504
Benefits	-	-	187,361	1,784,276	301,399
Total Salaries and Benefit Expenses	-	-	1,137,214	10,773,037	1,668,903
Other Expenses					
Out-of-Home Care Payments	10,677,167	10,988,618	13,183,720	27,962	-
Contracted Services	1,209,687	8,114	1,299,294	12,890,195	5,577
Flex Funds	-	-	-	13,848	-
Staff Recruitment	-	-	-	-	-
Training	-	-	900	23,814	3,524
Travel	-	-	21,583	311,020	30,588
Occupancy and Utilities	-	-	36,801	423,818	66,672
Telephone and Data Lines	204	-	13,825	157,786	29,688
Supplies	-	43	5,492	59,039	12,649
Postage	-	-	1,073	16,726	3,176
Professional Fees	1,455	-	8,876	360,123	116,872
Consultants	-	-	163,809	465,354	16,381
Insurance	-	-	14,874	141,593	55,721
Minor Equipment and Maintenance	18,000	-	10,886	195,017	29,049
Other Expenses	180,395	76	53,405	107,604	61,122
Total Other Expenses	12,086,908	10,996,851	14,814,538	15,193,899	431,019
Total Expenses Before Depreciation	12,086,908	10,996,851	15,951,752	25,966,936	2,099,922
Depreciation	-	-	4,883	270,396	21,654
Total Expenses	$ 12,086,908	$ 10,996,851	$ 15,956,635	$ 26,237,332	$ 2,121,576

See accompanying notes.

2023
Program Expenses

Independent Living	Diversion and Prevention	Other Grants	Total	Management and General	Fundraising	Combined Total
$ 382,342	$ 1,920,349	$ 1,920,286	$ 15,529,095	$ 1,945,244	$ 39,621	$ 17,513,960
79,447	513,795	469,966	3,336,244	420,231	8,177	3,764,652
461,789	2,434,144	2,390,252	18,865,339	2,365,475	47,798	21,278,612
1,949,765	-	-	36,827,232	-	-	36,827,232
-	1,386,280	681,172	17,480,319	-	-	17,480,319
-	-	-	13,848	-	-	13,848
-	-	-	-	59,422	-	59,422
1,268	54,214	11,619	95,339	6,633	-	101,972
10,709	67,940	49,520	491,360	14,457	28	505,845
17,449	197,558	122,636	864,934	102,538	2,861	970,333
7,700	63,789	40,148	313,140	31,972	571	345,683
4,620	25,034	32,359	139,236	65,580	31,730	236,546
869	5,437	1,282	28,563	4,823	131	33,517
8,448	116,460	54,166	666,400	106,272	1,085	773,757
20,721	127,993	1,465	795,723	115,266	-	910,989
16,167	68,993	66,951	364,299	61,974	1,334	427,607
7,707	51,921	17,993	330,573	150,277	929	481,779
65,903	149,383	658	618,546	80,473	-	699,019
2,111,326	2,315,002	1,079,969	59,029,512	799,687	38,669	59,867,868
2,573,115	4,749,146	3,470,221	77,894,851	3,165,162	86,467	81,146,480
5,953	36,786	33,002	372,674	40,366	779	413,819
$ 2,579,068	$ 4,785,932	$ 3,503,223	$ 78,267,525	$ 3,205,528	$ 87,246	$ 81,560,299

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 Recruitment	-	-	-	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 CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

	2023	2022
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	$ 361,675	$ 1,287,295
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	413,819	222,736
(Gain)/Loss on Investment	(3,072)	6,216
(Gain)/Loss on Disposal of Fixed Assets	-	1,983
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):		
Increase in Right-of-Use Operating Lease Asset	(2,683,779)	-
Grants Receivable	(179,885)	(482,871)
Unbilled Grants Receivable	(183,789)	(153,111)
Prepaid Expenses	59,005	(96,113)
Other Assets	474	366
Accounts Payable	(289,074)	653,504
Accrued Payroll and Payroll Taxes	(2,687)	259,750
Increase in Right-of-Use Operating Lease Liability	2,667,271	-
Deferred Revenue	(1,919,323)	(626,256)
Master Trust Liability	168,677	(154,951)
Net Cash Provided by (Used in) Operating Activities	(1,590,688)	918,548
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(567,140)	(969,960)
Cash Received for Interest and Dividends	-	15,397
Loss on Investments	-	(95,795)
(Purchases)/Sales of Investments	-	849,574
Net Cash Provided by (Used in) Investing Activities	(567,140)	(200,784)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,157,828)	717,764
Cash and Cash Equivalents, Beginning of Year	10,626,584	9,908,820
Cash and Cash Equivalents, End of Year	$ 8,468,756	$ 10,626,584
Reconciliation of Cash and Cash Equivalents to the Statements of Financial Position		
Cash and Cash Equivalents	$ 7,942,803	$ 10,269,462
Restricted Cash - Client Trust Funds	525,953	357,122
Total Cash and Cash Equivalents	$ 8,468,756	$ 10,626,584
Supplemental Disclosures of Non-Cash Activities		
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	$ 264,381	$ -

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
KIDS CENTRAL, INC. AND SUBSIDIARIES - WILDWOOD, FLORIDA

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 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 statements of activities and statements of cash flows 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.

Adoption of New Accounting Standards

In February 2016, the FASB issued Accounting Standards Update ASU 2016-02, *Leases* (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, *Leases*. FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases* (Topic 842): *Targeted Improvements;* ASU 2018-20, *Narrow-Scope Improvements for Lessors*; and ASU 2019-01, *Leases* (Topic 842); *Codification Improvements*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use assets and lease liabilities for operating leases on the balance sheet.

The Corporation adopted FASB Topic 842, *Leases*, using the modified retrospective approach with July 1, 2022, as of the date of the initial adoption. The Corporation elected the practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Corporation to carry forward the historical lease classification.

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, 2023	$ 10,970,845
(Less Restricted Cash – Client Trust Funds)	(525,953)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 10,444,892

Note 3 - Property and Equipment

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

	Balance at June 30, 2023
Furniture and Equipment	$ 1,904,367
Vehicles	1,459,322
(Accumulated Depreciation)	(2,189,574)
Property and Equipment, Net of Accumulated Depreciation	$ 1,174,115

	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

Total depreciation expense for all property and equipment as of June 30, 2023 and 2022, was $413,819 and $222,736, respectively.

Note 4 - Non-Cash Donations and Donated Services

During the fiscal years ended June 30, 2023 and 2022, 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 $168,651 and $181,907 for 2023 and 2022, respectively.

The Corporation received services from 9 and 13 volunteers for fiscal years ended June 30, 2023 and 2022, 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 $8,745 and $29,748 for the years ended June 30, 2023 and 2022, respectively.

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

Note 5 - Leasing Activities

The Corporation leases building space. The Corporation assesses whether an agreement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are charged. The Corporation generally accounts for non-lease components, such as maintenance, separately from these components.

The Corporation elected to adopt the practical expedients available under the transition guidance of ASC 842. This package includes the following: relief from determination of lease contracts included existing or expiring leases as of the date of adoption, relief from having to reevaluate the classification of leases in effect at the date of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the exception of the lease contract. The Corporation also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of right-of-use (ROU) assets. Adoption of ASC 842 did not impact the Corporation's net assets or cash flows.

The adoption of ASC 842 resulted in the recognition of an ROU assets and corresponding operating lease liabilities totaling $3,421,295 on the balance sheet of the Corporation as of July 1, 2022, related the Corporation's building space leases. These building space leases were previously classified as an operating lease under the ASC 840 guidance. The building space lease agreements did not contain any residual value guarantees or material restrictive covenants. The Corporation calculated the present value upon implementing of ASC 842 using the incremental borrowing rate of 4.75% which was the prime rate as of July 1, 2022 (the date of implementation of this standard). The Corporation entered into one new building lease which utilized the incremental borrowing rate of 8.10%, the prime rate at January 1, 2023.

The ROU asset and lease liability balances as of June 30, 2023 for the Corporation are as follows:

Leases	Classification	June 30, 2023
Assets		
Operating	Operating Lease Asset	$ 2,683,779
Total Lease Assets		$ 2,683,779
Current Liabilities		
Operating	Operating Lease Liability	$ 820,890
Long-Term Liabilities		
Operating	Operating Lease Liability	1,846,381
Total Lease Liabilities		$ 2,667,271
Weighted Average Remaining Lease Term		37.55

Future maturities of the operating lease liabilities as of June 30, 2023, under the leases are as follows:

Year Ending June 30,		
2024	$	930,718
2025		907,318
2026		850,139
2027		190,024
Total Lease Payments		2,878,199
Less: Imputed Interest		(210,928)
Total Lease Payments	$	2,667,271

In addition to the above mentioned building space leases, the Corporation also leased equipment and storage space. These agreements expired on various dates in 2023 or were month to month leases. The total expense for all operating leases was $881,282 and $807,819 for the years ended June 30, 2023 and 2022, respectively.

Note 6 - 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, 2023 and 2022, were $305,084 and $240,701, respectively.

Note 7 - 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 8 - 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 9 - 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, 2023 and 2022, recognizing revenue of $532,299 and $474,359, respectively.

Note 10 - Subsequent Events

The Corporation has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through March 8, 2024, 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, 2023, 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 March 8, 2024.

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 or significant deficiencies 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

March 8, 2024
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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program and State Project
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General*. 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*, 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 and state project as a whole.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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

March 8, 2024
Ocala, Florida

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023
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	$ -	$ 2,669
Passed Through Central Healthy Start Coalition, Inc.:				
Medical Assistance Program	93.778	LAK-2022	-	766,503
Passed Through Healthy Start of North Central Florida Coalition, Inc.:				
Medical Assistance Program	93.778	ALA-2022	-	399,230
Passed Through State of Florida Department of Children and Families:				
Medical Assistance Program	93.778	PJ503	37,092	218,151
Total Medical Assistance Program			37,092	1,383,884
Passed Through Well Florida Council:				
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	MIECHV-MAR-2022	-	294,173
Passed Through Healthy Start of North Central Florida Coalition, Inc.:				
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	MIECHV-ALA-2022	-	511,340
Total Maternal, Infant, and Early Childhood Home Visiting Grant Program			-	805,513
Passed Through Central Healthy Start Coalition, Inc.:				
Maternal and Child Health Services Block Grant to the States	93.994	LAK-2022	-	56,361
Passed Through Healthy Start of North Central Florida Coalition, Inc.:				
Maternal and Child Health Services Block Grant to the States	93.994	ALA-2022	-	12,635
Total Maternal and Child Health Services Block Grant to the States			-	68,996
Passed Through State of Florida Department of Children and Families:				
Guardianship Assistance	93.090	PJ503	-	94,900
Promoting Safe and Stable Families	93.556	PJ503	524,272	1,171,132
Promoting Safe and Stable Families	93.556	LJ977	-	68,382
Total Promoting Safe and Stable Families			524,272	1,239,514
Temporary Assistance for Needy Families (TANF)	93.558	PJ503	2,072,225	4,080,711
Grants to States for Access and Visitation Programs	93.597	PJ503	80,626	31,672

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023
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	$ -	$ 88,171
Adoption Incentive Payments	93.603	PJ503	-	54,761
Stephanie Tubbs Jones Child Welfare Services Program	93.645	PJ503	398,619	802,536
Foster Care (Title IV-E)	93.658	PJ503	3,709,938	10,796,585
Adoption Assistance	93.659	PJ503	512,090	8,503,832
Social Services Block Grant	93.667	PJ503	213,281	6,177,814
Child Abuse and Neglect State Grants	93.669	PJ503	1,000	92,179
Child Abuse and Neglect State Grants	93.669	PJZ02	667,230	689,119
Total Child Abuse and Neglect State Grants			668,230	781,298
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	PJ503	47,000	747,466
Total Federal Awards			8,263,373	35,660,322

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023
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	PJ503	$ 5,404,660	$ 10,398,012
CBC - Adoption Services	60.076	PJ503	-	89,115
Independent Living Program	60.112	PJ503	-	490,848
Extended Foster Care Program	60.141	PJ503	-	322,458
CBC - Purchase Therapeutic Services for Children	60.183	PJ503	87,560	287,296
Guardianship Assistance Program	60.210	PJ503	-	162,941
Kinship Navigator Program	60.207	PJ503	-	380,336
Family Finders Program	60.206	PJ503	86,828	167,587
CBC - Fatherhood Engagement Specialist	60.211	PJ503	-	777
Early Childhood Court Case Management and Prevention	60.225	PJ503	-	32,368
State Funded Child Care Subsidy	60.244	PJ503	-	934,997
Total State Financial Assistance			5,579,048	13,266,735
Total Federal Awards and State Financial Assistance			$ 13,842,421	$ 48,927,057

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023
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:

Temporary Assistance for Needy Families (TANF)	Assistance Listing No. 93.558
Social Services Block Grant	Assistance Listing No. 93.667

State Projects:

Out-of-Home Supports	CFSA No. 60.074
State Funded Child Care Subsidy	CFSA No. 60.244

Dollar Threshold Used to Distinguish Between Type A and Type B programs – Federal Programs:	$1,069,810
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

CERTIFIED PUBLIC ACCOUNTANTS

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