

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

Years Ended June 30, 2021 and 2020

KIDS FIRST OF FLORIDA, INC.

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-3
FINANCIAL STATEMENTS:	
Statements of Financial Position	4
Statements of Activities	5
Statement of Functional Expenses, 2021	6
Statement of Functional Expenses, 2020	7
Statements of Cash Flows	8
Notes to Financial Statements	9-15
ADDITIONAL INFORMATION:	
Schedule of Expenditures of Federal Awards and State Financial Assistance and Notes	16-17
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	18-19
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	20-22
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	23-24



5150 Belfort Road, Bldg. 300, Jacksonville, FL 32256
Phone: (904) 725-5832 Fax: (904) 727-6835
Email: office@fordefirm.com

Linda R. Forde, C.P.A.*
Megan McAtee, C.P.A., M.Acc.*
David R. Forde, Ph.D.
Caroline Gonsalves, A.S.
Patrick Smith
Alex Lawlor M.B.A
Mohamed Camara M.B.A
Linsey Gloeckner

* MEMBER OF
AMERICAN AND FLORIDA
INSTITUTES OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Kids First of Florida, Inc.
Orange Park, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Kids First of Florida, Inc., (a nonprofit corporation), a component corporation of the Institute for Growth and Development, Inc., (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kids First of Florida, Inc., as of June 30, 2021 and 2020, 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.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements of Kids First of Florida, Inc. as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, by Section 215.97, Florida Statutes 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 information 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 December 23, 2021, on our consideration of Kids First of Florida, Inc.'s, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Kids First of Florida, Inc.'s internal control over financial reporting and compliance.



The Forde Firm, LLC
Jacksonville, Florida
December 23, 2021

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Cash	\$ 3,738,431	\$ 3,492,566
Accounts receivable (Note B)	501,310	-
Prepaid expenses	<u>165,524</u>	<u>166,652</u>
Total Current Assets	4,405,265	3,659,218
Property, plant and equipment, less accumulated depreciation of \$213,068 and \$280,945 for 2021 and 2020 (Note D)	<u>8,875</u>	<u>27,698</u>
Total Assets	<u><u>\$ 4,414,140</u></u>	<u><u>\$ 3,686,916</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 470,733	\$ 366,081
Accrued expenses	300,199	312,823
Deferred revenue (Note M)	1,649,227	730,800
SBA PPP Loan (Note P)	<u>-</u>	<u>673,300</u>
Total Current Liabilities	<u>2,420,159</u>	<u>2,083,004</u>
Net assets without donor restrictions	1,936,363	1,527,471
Net assets without donor restrictions - Property	8,875	27,698
Net assets with donor restrictions	<u>48,743</u>	<u>48,743</u>
Total Net Assets	<u>1,993,981</u>	<u>1,603,912</u>
Total Liabilities and Net Assets	<u><u>\$ 4,414,140</u></u>	<u><u>\$ 3,686,916</u></u>

See Notes to Financial Statements.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 26,525	\$ -	\$ 26,525	\$ 12,048	\$ -	\$ 12,048
In-kind contributions (Note F)	-	-	-	6,669	-	6,669
Special events (Note E)	12,046	-	12,046	-	-	-
COVID - Funds	708,300	-	708,300	-	-	-
Other income	246,575	-	246,575	117,707	-	117,707
Interest income	1,662	-	1,662	10,654	-	10,654
State of Florida:						
Department of Children and Families:						
Community Based Foster Care	10,468,066	-	10,468,066	11,356,149	-	11,356,149
Total Support and Revenue	11,463,174	-	11,463,174	11,503,227	-	11,503,227
Net Assets Released from Restrictions	-	-	-	180	(180)	-
Total Support, Revenue and Net Assets Released from Restrictions	11,463,174	-	11,463,174	11,503,407	(180)	11,503,227
Program Service Expenses	10,522,788	-	10,522,788	10,799,789	-	10,799,789
Supporting Service Expenses	550,317	-	550,317	578,360	-	578,360
Total Expenses	11,073,105	-	11,073,105	11,378,149	-	11,378,149
Change in Net Assets	390,069	-	390,069	125,258	(180)	125,078
Net Assets, Beginning of Period	1,555,169	48,743	1,603,912	1,429,911	48,923	1,478,834
Net Assets, End of Period	<u>\$ 1,945,238</u>	<u>\$ 48,743</u>	<u>\$ 1,993,981</u>	<u>\$ 1,555,169</u>	<u>\$ 48,743</u>	<u>\$ 1,603,912</u>

See Notes to Financial Statements.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Family Services	Contract Licensure	Independent Living	Foster Care & Adoptions	TOTAL PROGRAM SERVICES	Fundraising	Administrative	TOTAL
Salaries	\$ 2,446,057	\$ 269,549	\$ 26,615	\$ -	\$ 2,742,221	\$ -	\$ 186,353	\$ 2,928,574
Fringe Benefits	178,208	19,923	1,100	-	199,231	-	13,345	212,576
Payroll Taxes	338,178	37,107	4,018	-	379,303	-	23,555	402,858
	<u>2,962,443</u>	<u>326,579</u>	<u>31,733</u>	<u>-</u>	<u>3,320,755</u>	<u>-</u>	<u>223,253</u>	<u>3,544,008</u>
Foster Care, Shelter & Services	834,123	-	-	5,484,891	6,319,014	-	-	6,319,014
Building Occupancy	228,681	16,998	6,799	-	252,478	-	6,799	259,277
Equipment/Furniture	7,294	-	-	-	7,294	-	90	7,384
Professional Services	60,936	953	1,036	-	62,925	-	381	63,306
Mileage and Travel	68,150	7,766	252	-	76,168	-	-	76,168
Trainings/Meetings	10,065	205	-	-	10,270	-	220	10,490
Communication	58,084	(100)	-	-	57,984	-	360	58,344
Contracted Services	164,991	266	106	-	165,363	-	313,209	478,572
Maintenance Agreements	3,074	-	-	-	3,074	-	-	3,074
Maintenance / Janitorial	7,666	436	173	-	8,275	-	181	8,456
Vehicle	2,637	-	-	-	2,637	-	-	2,637
Background Screenings	34,805	84	-	-	34,889	-	-	34,889
Office Supplies	7,219	-	-	-	7,219	-	477	7,696
IT Expense	6,928	174	70	-	7,172	-	250	7,422
Postage	8,982	-	-	-	8,982	-	-	8,982
Insurance	111,077	8,415	3,366	-	122,858	-	3,476	126,334
Payroll Processing Fees	7,731	586	234	-	8,551	-	234	8,785
Dues Membership Fees	400	-	-	-	400	-	-	400
Recruitment	4,137	-	-	-	4,137	-	252	4,389
Operating Supplies and Expenses	1,627	-	-	-	1,627	2,226	1,135	4,988
	<u>1,628,607</u>	<u>35,783</u>	<u>12,036</u>	<u>5,484,891</u>	<u>7,161,317</u>	<u>2,226</u>	<u>327,064</u>	<u>7,490,607</u>
Total Personnel and Expenses	4,591,050	362,362	43,769	5,484,891	10,482,072	2,226	550,317	11,034,615
Administration	505,767	39,749	4,801	-	550,317	-	(550,317)	-
Unallowable Expense	19,668	-	-	-	19,668	-	-	19,668
Interest	-	-	-	-	-	-	-	-
Fundraising	2,226	-	-	-	2,226	(2,226)	-	-
Depreciation	17,299	1,359	164	-	18,822	-	-	18,822
Grand Total	<u>\$ 5,136,010</u>	<u>\$ 403,470</u>	<u>\$ 48,734</u>	<u>\$ 5,484,891</u>	<u>\$ 11,073,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>11,073,105</u>

See Notes to Financial Statements.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	<u>Family Services</u>	<u>Contract Licensure</u>	<u>Independent Living</u>	<u>Foster Care & Adoptions</u>	<u>TOTAL PROGRAM SERVICES</u>	<u>Fundraising</u>	<u>Administrative</u>	<u>TOTAL</u>
Salaries	\$ 2,732,496	\$ 214,462	\$ 79,066	\$ -	\$ 3,026,024	\$ -	\$ 186,983	\$ 3,213,007
Fringe Benefits	383,233	39,578	15,592	-	438,403	-	24,040	462,443
Payroll Taxes	195,154	15,767	5,676	-	216,597	-	13,410	230,007
	<u>3,310,883</u>	<u>269,807</u>	<u>100,334</u>	<u>-</u>	<u>3,681,024</u>	<u>-</u>	<u>224,433</u>	<u>3,905,457</u>
Foster Care, Shelter & Services	974,028	-	-	5,241,193	6,215,221	-	-	6,215,221
Building Occupancy	242,739	15,946	6,165	-	264,850	-	7,231	272,081
Professional Services	60,553	953	3,210	-	64,716	-	381	65,097
Mileage and Travel	100,801	6,078	1,632	-	108,511	-	402	108,913
Communication	64,714	-	-	-	64,714	-	330	65,044
Contracted Services	190,491	305	121	-	190,917	-	308,784	499,701
Maintenance Agreements	10,997	370	145	-	11,512	-	153	11,665
Vehicle	4,786	-	-	-	4,786	-	-	4,786
Background Screenings	39,082	94	-	-	39,176	-	-	39,176
Office Supplies	25,158	256	158	-	25,572	-	276	25,848
Insurance	94,685	6,606	2,860	-	104,151	-	2,860	107,011
Operating Supplies and Expenses	20,500	1,727	2,412	-	24,639	-	1,478	26,117
	<u>1,828,534</u>	<u>32,335</u>	<u>16,703</u>	<u>5,241,193</u>	<u>7,118,765</u>	<u>-</u>	<u>321,895</u>	<u>7,440,660</u>
Total Personnel and Expenses	5,139,417	302,142	117,037	5,241,193	10,799,789	-	546,328	11,346,117
Administration	516,563	19,363	10,402	-	546,328	-	(546,328)	-
Fundraising	-	-	-	-	-	-	-	-
Depreciation	29,617	1,741	674	-	32,032	-	-	32,032
Unallowable Expense	-	-	-	-	-	-	-	-
Grand Total	<u>\$ 5,685,597</u>	<u>\$ 323,246</u>	<u>\$ 128,113</u>	<u>\$ 5,241,193</u>	<u>\$ 11,378,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>11,378,149</u>

See Notes to Financial Statements.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 390,069	\$ 125,078
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	18,822	32,032
(Increase) decrease in:		
Accounts receivable	(501,310)	20,434
Prepaid expenses	1,128	28,490
Increase (decrease) in:		
Accounts payable	104,653	32,356
Accrued expenses	(12,624)	48,731
Refundable advances	918,427	(1,047,984)
Net Cash Provided (Used) By Operating Activities	<u>919,165</u>	<u>(760,863)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
SBA Loan Funding	-	673,300
SBA Loan Forgiveness	(673,300)	-
Net Cash Provided (Used) By Investing Activities	<u>(673,300)</u>	<u>673,300</u>
Net Increase (Decrease) in Cash	245,865	(87,563)
Cash at Beginning of Period	<u>3,492,566</u>	<u>3,580,129</u>
Cash at End of Period	<u>\$ 3,738,431</u>	<u>\$ 3,492,566</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

A. Summary of Significant Accounting Policies:

- (1) Nature of Organization – Kids First of Florida, Inc., formerly known as Clay & Baker Kids Net, Inc. and Clay Kids Net, Inc., was incorporated January 15, 2003 to provide foster care placement, case management, adoption, physical and emotional support, and be a liaison with the health department for children in Clay County, Florida. The largest funding source for the Organization is the Florida Department of Children and Families.
- (2) Basis of Presentation – The accompanying financial statements are prepared using the accrual basis of accounting generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-For-Profit Organizations” (the Guide). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Kids First and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Kids First. Kids First’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Kids First or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Expenses are generally reported as decreases in net assets without donor restrictions. Expiration of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable net assets. Kids First had \$48,743 and \$48,743 net assets with donor restrictions for the years ended June 30, 2021 and 2020, respectively.

- (3) Basis of Accounting – The financial statements are prepared using the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020
-continued-

- (4) Functional Allocation of Expenses – Expenditures in connection with program operations have been summarized on a functional basis in the statement of activities.
- (5) Cash – For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash.
- (6) Property, Plant and Equipment – Property, plant and equipment are recorded at cost for purchased items. Donated items are recorded at fair market value at the date of the gift. Asset purchases of \$1,000 or more are capitalized.
- (7) Depreciation – Building and equipment are being depreciated over the estimated useful lives of the individual assets by the straight-line method.
- (8) Public Support and Revenue – Revenue is reported at the estimated net realizable amounts due from third-party payers and others for services rendered. Client fees are recognized upon receipt.
- (9) Fair Values of Financial Instruments – Generally accepted accounting principles require certain financial instruments to be recorded at fair value. Changes in methods of estimation could affect the fair value estimates; however, such changes are not expected to have a material impact on the organization’s financial position, activities or cash flows.
- (10) Income Taxes – The Organization has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue code, is not a private foundation and has no unrelated business taxable income. Management evaluated the Organization’s tax positions and concluded that the Organization had maintained its exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Accordingly, no provision for income tax is required. The Organization’s Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS for three years after they were filed.
- (11) Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, primarily related to the collectability of receivables and the depreciable lives of buildings and improvements that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020
-continued-

- (12) Revenue and Support With and Without Donor Restrictions – Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.
- (13) Advertising – Advertising costs of \$4,390 and \$762 for the years ended June 30, 2021 and 2020, respectively, were expensed as incurred.
- (14) Reclassifications – Certain accounts relating to the prior year have been restated to conform to the current year’s presentation. The reclassifications have no effect on income.

B. Accounts Receivable:

Revenue due under third-party payer agreements is subject to audit and retroactive adjustment. The allowance for doubtful accounts is based on management’s best estimate of probable losses using the accounts receivable aging method. Account balances are charged off against the allowance when it is probable the receivable will not be recovered.

C. Line of Credit:

The Organization secured a bank line of credit for working capital needs. The line of credit is for \$500,000, priced at Prime Rate Index, currently 3.25%, plus 0.2%, maturing February 28, 2022 and is secured by all accounts, equipment, general intangibles and fixtures. There was no principal balance on the line at June 30, 2021 or 2020.

D. Property, Plant and Equipment:

	<u>Life</u>	<u>2021</u>	<u>2020</u>
Furniture and fixtures	5 yrs.	\$ 24,434	\$ 32,438
Equipment	5 yrs.	119,211	197,907
Vehicles	5 yrs.	<u>78,298</u>	<u>78,298</u>
		221,943	308,643
Accumulated depreciation		<u>(213,068)</u>	<u>(280,945)</u>
		<u>\$ 8,875</u>	<u>\$ 27,698</u>

The Florida Department of Children and Families (DCF) has a reversionary interest in any equipment purchased with funds provided by DCF contracts.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020
-continued-

E. Special Events:

The Organization had a major fundraiser during the year ending June 30, 2021. Due to the coronavirus crisis, the Organization did not have their annual fundraiser in 2020. Receipts totaled \$12,046 and disbursements were \$2,226 for the event held during the year ended June 30, 2021.

F. In-Kind Contributions:

The Organization receives tangible property contributed for the children which is recorded at a discounted fair market value. The amounts are included in the financial statements as public support and specific assistance expense.

In-kind donations are measured at their fair value. The Financial Accounting Standards Board (FASB) in its Accounting Standards Codification 820 provides a single definition of fair value and established a three-tier hierarchy which is described below:

Level 1 – In-kind donations for which there are readily available prices in active markets for identical items.

Level 2 – In-kind donations for which there is publicly available information about similar items in inactive markets, such as auction websites.

Level 3 – In-kind donations for which little publicly available information is available, and unobservable inputs may be used to measure fair value.

The in-kind contributions described above are considered Level 1.

No amounts have been reflected in the statements for donated services because they do not meet the criteria for recognition in accordance with the FASB Accounting Standards Codification 958.

G. Related Party:

Kids First of Florida, Inc. and Clay Behavioral Health Center, Inc. are controlled by The Institute for Growth & Development, Inc. through board of directors' appointments and management agreements. Kids First of Florida, Inc. had accounts payable of \$10,683 and \$18,139 due to Clay Behavioral Health Center, Inc. at June 30, 2021 and 2020, respectively. Kids First of Florida, Inc. had accounts payable of \$11,108 and \$11,026 due to the Institute for Growth & Development, Inc. at June 30, 2021 and 2020, respectively. Kids First of Florida, Inc. paid The Institute for Growth & Development, Inc. \$330,986 and \$325,099 for reimbursement of costs during the years ending June 30, 2021 and 2020, respectively. Kids First of Florida, Inc. paid Clay Behavioral Health Center, Inc. \$147,618 and \$295,601 for services during the years ending June 30, 2021 and 2020, respectively.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020
-continued-

H. Support from the State of Florida which Required Match:

The Organization had fixed price and/or unit of service contracts that required cost sharing or match. Kids First of Florida, Inc. met the matching requirements of these contracts for the years ending June 30, 2021 and 2020.

I. Operating Leases:

The Organization leases office space on Kingsley Avenue in Orange Park. The office leases run through June 30, 2024 and has a five-year option which, if exercised, would extend to June 30, 2029. If funding from the State of Florida is reduced by 15% or more, the Organization has the option of being released from the contract or a revision following a 30-day written notice.

The minimum lease payments, which include an assessment for common area maintenance, for the years ending June 30 are as follows:

2022	\$ 270,886
2023	270,886
2024	<u>270,866</u>
	<u>\$ 812,658</u>

Rent expense, including record storage, for the years ending June 30, 2021 and 2020 was \$259,277 and \$271,069, respectively.

J. Concentration of Credit Risk:

The Organization maintains bank accounts with three FDIC insured banks and exceeded depository insurance limits. The uninsured exposure at June 30, 2021 and 2020 was \$3,194,417 and \$2,943,463, respectively.

K. Contingencies:

Revenue from the State of Florida Department of Children and Families was 91% and 99% of total public support and revenue in the years ending June 30, 2021 and 2020. Laws and regulations governing the children's programs are complex and subject to interpretation. The Organization believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and exclusion from the programs.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020
-continued-

L. Net Assets With Donor Restrictions:

The Organization received a restricted gift from Children’s Crisis Center, Inc. of \$83,345 for child welfare expenses during the year ending June 30, 2009 with annual disbursements restricted to no more than 5% of the balance. The balance of net assets with donor restrictions was the following at June 30:

	<u>2021</u>	<u>2020</u>
Children’s Crisis Center	\$ <u>48,743</u>	\$ <u>48,743</u>

M. Deferred Revenue:

Deferred revenue consists of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Florida Department of Children And Families carryforward	\$1,483,703	\$ 564,148
Other	<u>165,524</u>	<u>166,652</u>
	<u>\$1,649,227</u>	<u>\$ 730,800</u>

N. Retirement Plan:

The IGD 401k Plan, which became effective on January 1, 2016, is a defined contribution plan providing retirement benefits for all eligible employees of The Institute for Growth & Development, Inc., Clay Behavioral Health Center, Inc. and Kids First of Florida, Inc. Substantially all employees who have completed one year of service are eligible to join the Plan and may contribute up to 90% of their eligible pretax compensation, subject to limitations established by the Internal Revenue Code. The company may elect to make discretionary matching contributions or non-elective contributions to the Plan. During the years ended June 30, 2021 and 2020 the company made no contributions. Plan participants are immediately fully vested in their contributions and any associated earnings. Vesting in any company contributions is based on years of continuous service and a participant is 100% vested in such contributions after six years of continuous service.

O. Liquidity and Availability of Funds:

Financial assets available for general expenditure without donor restrictions limiting their use within one year of the statement of financial position date consist of the operating bank accounts and accounts receivable, totaling \$4,239,741 and \$3,492,566 as of June 30, 2021 and 2020, respectively.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020
-continued-

P. Subsequent Events:

In preparing these financial statements, the Organization evaluated events and transactions for potential recognition or disclosure through December 23, 2021, the date the financial statements were available to be issued.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA/ CSFA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through State of Florida				
Department of Children and Families:				
Guardianship Assistance	93.090	DJ039	\$ 630	\$ -
Promoting Safe and Stable Families	93.556	DJ039	238,622	-
Temporary Assistance for Needy Families	93.558	DJ039	580,042	-
Child Welfare Services - State Grants	93.645	DJ039	37,612	-
Foster Care - Title IV-E	93.658	DJ039	1,540,370	(32,510)
Adoption Assistance	93.659	DJ039	1,836,484	-
Social Services Block Grant	93.667	DJ039	813,306	(133,032)
Administration for Children, Youth and Families-Child Abuse	93.669	DJ039	1,317	-
Independent Living	93.674	DJ039	96,102	-
Medical Assistance	93.778	DJ039	<u>19,552</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,164,037</u>	<u>\$ (165,542)</u>
STATE OF FLORIDA				
Direct Projects of Department of Children and Families				
Child Welfare Out of Home Supports	60.074	DJ039	\$ 1,674,771	\$ -
CBC-Sexually Exploited Children	60.138	DJ039	109,475	(109,475)
CBC- Purchase of Therapeutic Services for Children	60.183	DJ039	95,215	-
Tested Pursuant to OCA Activity	90.XXX	DJ039	1,386,883	-
Foster Care Title IV-E	93.658	DJ039	<u>407,826</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 3,674,170</u>	<u>\$ (109,475)</u>

The accompanying notes are an integral part of this schedule.

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
PROJECTS

Year Ended June 30, 2021

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and grant activity of Kids First of Florida, Inc. for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Kids First of Florida, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Kids First of Florida, Inc.

Note 2. Summary of Significant Accounting Policies

- a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b) Pass through entity identifying numbers are presented where available.
- c) Kids First of Florida, Inc. has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.



5150 Belfort Road, Bldg. 300, Jacksonville, FL 32256
Phone: (904) 725-5832 Fax: (904) 727-6835
Email: office@fordefirm.com

Linda R. Forde, C.P.A.*
Megan McAtee, C.P.A., M.Acc.*
David R. Forde, Ph.D.
Caroline Gonsalves, A.S.
Patrick Smith
Alex Lawlor M.B.A
Mohamed Camara M.B.A
Linsey Gloeckner

* MEMBER OF
AMERICAN AND FLORIDA
INSTITUTES OF
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors
Kids First of Florida, Inc.
Orange Park, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Kids First of Florida, Inc. (a nonprofit corporation) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Kids First of Florida, Inc.'s internal control over financial reporting (internal control) to determine the auditing 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 Kids First of Florida, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness Kids First of Florida, Inc.'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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

THE FORDE FIRM, LLC

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.

Compliance and Other Matters

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

Purpose of this Report

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



The Forde Firm, LLC
Jacksonville, Florida
December 23, 2021



5150 Belfort Road, Bldg. 300, Jacksonville, FL 32256
Phone: (904) 725-5832 Fax: (904) 727-6835
Email: office@fordefirm.com

Linda R. Forde, C.P.A.*
Megan McAtee, C.P.A., M.Acc.*
David R. Forde, Ph.D.
Caroline Gonsalves, A.S.
Patrick Smith
Alex Lawlor M.B.A
Mohamed Camara M.B.A
Linsey Gloeckner

* MEMBER OF
AMERICAN AND FLORIDA
INSTITUTES OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' 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 First of Florida, Inc.
Orange Park, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Kids First of Florida, Inc.'s, (a nonprofit corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2021. Kids First of Florida, Inc.'s major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Kids First of Florida, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain

reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Kids First of Florida, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Kids First of Florida, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Kids First of Florida, Inc. 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 projects for the year ended June 30, 2021.

Report on Internal Control over Compliance

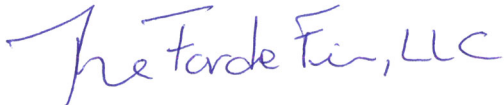
Management of Kids First of Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Kids First of Florida, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Kids First of Florida, Inc.'s internal control over compliance.

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

THE FORDE FIRM, LLC

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

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.



The Forde Firm, LLC
Jacksonville, Florida
December 23, 2021

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

Section I--Summary of Auditors' Results

Financial Statements:

Unmodified auditors' report issued X YES NO

Internal control over financial reporting:

Material weakness(es) identified? YES X NO

Significant deficiency(ies) identified? YES X NO

Noncompliance material to financial statements noted? YES X NO

Federal Awards and State Projects:

Internal control over major programs:

Material weakness(es) identified? YES X NO

Significant deficiency(ies) identified? YES X NO

Unmodified auditors' report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) or Chapter 10.656 YES X NO

Identification of major federal programs or state projects:

	<u>CFDA #'s</u>	<u>Name of Federal Program or Cluster</u>
Temporary Assistance for Needy Families	93.558	N/A
Foster Care - Title IV-E	93.658	N/A
Adoption Assistance	93.659	N/A

Dollar threshold used to distinguish between type A and type B programs-Federal Awards:

\$750,000

CSFA #'s

Child Welfare Out of Home Supports	60.074
Tested Pursuant to OCA Activity	90.XXX
Foster Care - Title IV-E	93.658

Dollar threshold used to distinguish between type A and type B programs-State Projects:

\$750,000

Auditee qualified as low risk auditee pursuant to the Uniform Guidance? X YES NO

Section II--Financial Statement Findings

None

Section III--Federal Award and State Project Findings and Questioned Costs

Major Federal Award Programs and State Projects Audit:

None

KIDS FIRST OF FLORIDA, INC.
(A Nonprofit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

Section IV--Summary Schedule of Prior Audit Findings

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal Programs or State Projects.

Section V--Corrective Action Plan

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

Section VI--Management Letter

No management letter as defined in State of Florida, Rules of the Auditor General 10656(3)(e) is required because there were no findings related to State Financial Assistance required to be reported.