

2025

Kids Central, Inc. and Subsidiary

Financial Statements and
Independent Auditor's Report

June 30, 2025 and 2024

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**KIDS CENTRAL, INC. AND SUBSIDIARY
WILDWOOD, FLORIDA**

JUNE 30, 2025 AND 2024

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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 Subsidiary (the Corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, 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, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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

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INDEPENDENT AUDITOR'S REPORT

and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2026, on our consideration of the Corporation's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Purvis Gray

January 26, 2026
Ocala, Florida

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024
KIDS CENTRAL, INC. AND SUBSIDIARY - WILDWOOD, FLORIDA

ASSETS

	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and Cash Equivalents	\$ 4,149,009	\$ 7,247,044
Grants and Provider Receivable	6,443,258	3,130,967
Unbilled Grants Receivable	1,343,239	1,249,900
Prepaid Expenses	149,764	270,829
Other Receivable	6,593	5,004
Total Current Assets	<u>12,091,863</u>	<u>11,903,744</u>
Property and Equipment, Net of Accumulated Depreciation	<u>476,415</u>	<u>767,491</u>
Right-of-Use Operating Lease Assets, Net	<u>2,628,604</u>	<u>3,452,674</u>
Non-Current Assets		
Restricted Cash - Client Trust Funds	999,161	623,951
Other Assets	929	105,242
Total Non-Current Assets	<u>1,000,090</u>	<u>729,193</u>
Total Assets	<u>16,196,972</u>	<u>16,853,102</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable - Operating	3,466,497	4,020,031
Accounts Payable - DCF	327,485	661,651
Accrued Payroll and Related Expenses	1,910,854	1,798,859
Deferred Revenue	2,126,575	1,690,735
Operating Lease Liabilities, Current Portion	950,877	925,730
Total Current Liabilities	<u>8,782,288</u>	<u>9,097,006</u>
Non-Current Liabilities		
Master Trust Liability	995,776	620,414
CBC Casualty Liability	121,121	-
Operating Lease Liabilities, Net of Current Portion	1,629,537	2,500,184
Total Non-Current Liabilities	<u>2,746,434</u>	<u>3,120,598</u>
Total Liabilities	<u>11,528,722</u>	<u>12,217,604</u>
Net Assets		
Without Donor Restrictions:		
Invested in Property and Equipment	524,605	794,251
Undesignated	4,143,645	3,841,247
Total Net Assets	<u>4,668,250</u>	<u>4,635,498</u>
Total Liabilities and Net Assets	<u>\$ 16,196,972</u>	<u>\$ 16,853,102</u>

See accompanying notes.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
KIDS CENTRAL, INC. AND SUBSIDIARY - WILDWOOD, FLORIDA

	2025	2024
Revenues		
State and Federal Revenues		
DCF Contracts:		
DCF Services Contract	\$ 81,110,855	\$ 77,652,853
Grants - Other	7,802	28,403
Total State and Federal Revenues	81,118,657	77,681,256
Other Revenues		
Contributions of Cash and Other Financial Assets	157,523	146,353
Contributions of Non-Financial Assets	29,740	40,160
Interest Income	47,698	33,475
Contractual Service Revenue	3,271,548	3,214,070
Other Revenue	51,666	70,370
Total Other Revenues	3,558,175	3,504,428
Total Revenues	84,676,832	81,185,684
Expenses		
Programs		
Foster Care	9,970,726	10,597,064
Residential Group Care and Emergency Shelter	14,151,391	11,746,747
Adoption	19,123,587	16,644,358
Case Management	26,856,991	26,470,098
Recruitment and Licensing	2,431,054	2,294,632
Independent Living	1,821,474	2,057,231
Diversion and Prevention	4,418,213	5,300,442
Other Grants	2,750,191	2,702,054
Total Programs	81,523,627	77,812,626
Management and General	3,092,933	3,163,705
Fundraising	27,520	96,839
(Total Expenses)	(84,644,080)	(81,073,170)
Change in Net Assets	32,752	112,514
Net Assets, Beginning of Year	4,635,498	4,522,984
Net Assets, End of Year	\$ 4,668,250	\$ 4,635,498

See accompanying notes.

**STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
KIDS CENTRAL, INC. AND SUBSIDIARY - WILDWOOD, FLORIDA**

	2025				
	Program Expenses				
	Foster Care	Residential Group Care and Emergency Shelter	Adoption	Case Management	Recruitment and Licensing
Salaries and Benefit Expenses					
Salaries	\$ -	\$ -	\$ 851,020	\$ 8,693,835	\$ 1,617,103
Benefits	-	-	186,489	1,834,499	356,857
Total Salaries and Benefit Expenses	-	-	1,037,509	10,528,334	1,973,960
Other Expenses					
Out-of-Home Care					
Payments	9,627,189	14,143,024	16,467,683	200,890	-
Contracted Services	208,326	8,367	1,413,030	13,886,844	5,814
Flex Funds	2,900	-	-	18,646	-
Staff Recruitment	-	-	-	-	25
Training	-	-	340	35,926	5,426
Travel	-	-	20,260	289,784	30,118
Occupancy and Utilities	-	-	40,458	431,788	77,701
Telephone and Data Lines	355	-	17,513	173,395	39,270
Supplies	102	-	1,908	42,827	3,379
Postage	-	-	551	18,290	2,612
Professional Fees	-	-	10,555	330,640	132,139
Consultants	-	-	(3)	134,672	-
Insurance	-	-	26,134	293,971	48,930
Minor Equipment and Maintenance	-	-	28,202	170,343	39,480
Other Expenses	131,854	-	54,524	95,486	50,199
Total Other Expenses	9,970,726	14,151,391	18,081,155	16,123,502	435,093
Total Expenses Before Depreciation	9,970,726	14,151,391	19,118,664	26,651,836	2,409,053
Depreciation	-	-	4,923	205,155	22,001
Total Expenses	\$ 9,970,726	\$ 14,151,391	\$ 19,123,587	\$ 26,856,991	\$ 2,431,054

See accompanying notes.

2025
Program Expenses

Independent Living	Diversion and Prevention	Other Grants	Total	Management and General	Fundraising	Combined Total
\$ 525,143	\$ 1,605,920	\$ 1,839,559	\$ 15,132,580	\$ 1,913,847	\$ 4,683	\$ 17,051,110
118,647	444,652	472,305	3,413,449	465,395	(146)	3,878,698
<u>643,790</u>	<u>2,050,572</u>	<u>2,311,864</u>	<u>18,546,029</u>	<u>2,379,242</u>	<u>4,537</u>	<u>20,929,808</u>
1,066,319	1,527,936	-	43,033,041	-	-	43,033,041
309	166,567	-	15,689,257	2,400	-	15,691,657
-	-	-	21,546	-	-	21,546
-	-	-	25	28,825	-	28,850
1,328	7,707	18,938	69,665	8,499	-	78,164
7,327	65,000	76,173	488,662	9,376	-	498,038
26,214	135,590	90,321	802,072	113,327	2,346	917,745
11,999	54,027	31,278	327,837	36,505	837	365,179
1,435	3,675	114,621	167,947	52,019	14,200	234,166
875	3,820	165	26,313	3,508	79	29,900
15,304	150,461	5,107	644,206	126,206	1,723	772,135
18,506	56,176	39,824	483,541	57,517	1,313	542,371
13,845	43,989	57,996	353,855	72,004	1,196	427,055
6,541	101,285	1,307	441,196	79,628	372	521,196
<u>1,170,002</u>	<u>2,340,466</u>	<u>437,238</u>	<u>62,709,573</u>	<u>691,692</u>	<u>22,066</u>	<u>63,423,331</u>
1,813,792	4,391,038	2,749,102	81,255,602	3,070,934	26,603	84,353,139
7,682	27,175	1,089	268,025	21,999	917	290,941
<u>\$ 1,821,474</u>	<u>\$ 4,418,213</u>	<u>\$ 2,750,191</u>	<u>\$ 81,523,627</u>	<u>\$ 3,092,933</u>	<u>\$ 27,520</u>	<u>\$ 84,644,080</u>

See accompanying notes.

**STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
KIDS CENTRAL, INC. AND SUBSIDIARY - WILDWOOD, FLORIDA**

	2024				
	Program Expenses				
	Foster Care	Residential Group Care and Emergency Shelter	Adoption	Case Management	Recruitment and Licensing
Salaries and Benefit Expenses					
Salaries	\$ -	\$ -	\$ 881,239	\$ 8,749,133	\$ 1,517,918
Benefits	-	-	200,973	1,890,374	330,679
Total Salaries and Benefit Expenses	-	-	1,082,212	10,639,507	1,848,597
Other Expenses					
Out-of-Home Care					
Payments	9,570,808	11,738,757	13,966,749	53,091	-
Contracted Services	711,190	5,724	1,379,168	13,534,594	3,823
Flex Funds	-	-	-	11,239	-
Staff Recruitment	-	-	-	-	-
Training	-	-	340	15,118	5,190
Travel	-	-	24,727	323,337	37,759
Occupancy and Utilities	-	-	42,120	445,956	69,318
Telephone and Data Lines	450	-	17,268	161,849	31,858
Supplies	-	-	2,325	122,984	4,743
Postage	-	-	425	20,715	1,815
Professional Fees	-	-	9,876	305,099	110,574
Consultants	-	-	19,104	168,195	1,910
Insurance	-	-	16,943	146,159	66,783
Minor Equipment and Maintenance	22,000	-	24,501	171,591	27,869
Other Expenses	292,616	2,266	52,655	125,379	60,536
Total Other Expenses	10,597,064	11,746,747	15,556,201	15,605,306	422,178
Total Expenses Before Depreciation	10,597,064	11,746,747	16,638,413	26,244,813	2,270,775
Depreciation	-	-	5,945	225,285	23,857
Total Expenses	\$ 10,597,064	\$ 11,746,747	\$ 16,644,358	\$ 26,470,098	\$ 2,294,632

See accompanying notes.

2024
Program Expenses

Independent Living	Diversion and Prevention	Other Grants	Total	Management and General	Fundraising	Combined Total
\$ 478,755	\$ 1,884,624	\$ 1,809,482	\$ 15,321,151	\$ 1,940,534	\$ 57,257	\$ 17,318,942
108,963	515,847	462,708	3,509,544	455,838	13,537	3,978,919
<u>587,718</u>	<u>2,400,471</u>	<u>2,272,190</u>	<u>18,830,695</u>	<u>2,396,372</u>	<u>70,794</u>	<u>21,297,861</u>
1,352,003	-	-	36,681,408	-	-	36,681,408
-	2,115,836	177	17,750,512	-	-	17,750,512
-	1,296	204	12,739	-	-	12,739
-	-	-	-	59,426	-	59,426
1,392	14,372	49,930	86,342	8,805	-	95,147
11,049	70,709	75,894	543,475	9,115	-	552,590
22,813	191,576	89,217	861,000	105,293	2,230	968,523
10,286	63,537	31,258	316,506	36,637	559	353,702
1,800	5,397	56,979	194,228	57,561	18,123	269,912
613	3,131	444	27,143	2,501	57	29,701
11,126	117,718	3,478	557,871	79,808	1,069	638,748
1,274	46,317	-	236,800	96,924	-	333,724
22,061	74,951	36,379	363,276	83,872	2,411	449,559
9,921	42,990	70,540	369,412	129,144	831	499,387
17,263	116,032	1,238	667,985	61,010	-	728,995
<u>1,461,601</u>	<u>2,863,862</u>	<u>415,738</u>	<u>58,668,697</u>	<u>730,096</u>	<u>25,280</u>	<u>59,424,073</u>
2,049,319	5,264,333	2,687,928	77,499,392	3,126,468	96,074	80,721,934
<u>7,912</u>	<u>36,109</u>	<u>14,126</u>	<u>313,234</u>	<u>37,237</u>	<u>765</u>	<u>351,236</u>
<u>\$ 2,057,231</u>	<u>\$ 5,300,442</u>	<u>\$ 2,702,054</u>	<u>\$ 77,812,626</u>	<u>\$ 3,163,705</u>	<u>\$ 96,839</u>	<u>\$ 81,073,170</u>

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
KIDS CENTRAL, INC. AND SUBSIDIARY - WILDWOOD, FLORIDA

	2025	2024
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ 32,752	\$ 112,514
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	290,941	351,236
(Gain)/Loss on Disposal of Fixed Assets	135	55,388
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):		
Right-of-Use Operating Lease Asset	824,070	(768,895)
Grants Receivable	(3,312,291)	(2,055,895)
Unbilled Grants Receivable	(93,339)	37,334
Prepaid Expenses	121,065	(138,987)
Other Assets	102,724	29,536
Accounts Payable	(887,700)	184,466
Accrued Payroll and Payroll Taxes	111,995	(203,831)
Right-of-Use Operating Lease Liability	(845,500)	758,643
Deferred Revenue	435,840	944,731
Master Trust Liability	375,362	95,999
Insurance Liability	121,121	-
Net Cash Provided by (Used in) Operating Activities	(2,722,825)	(597,761)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,722,825)	(597,761)
Cash and Cash Equivalents, Beginning of Year	7,870,995	8,468,756
Cash and Cash Equivalents, End of Year	\$ 5,148,170	\$ 7,870,995
<u>Reconciliation of Cash and Cash Equivalents to the Statements of Financial Position</u>		
Cash and Cash Equivalents	\$ 4,149,009	\$ 7,247,044
Restricted Cash - Client Trust Funds	999,161	623,951
Total Cash and Cash Equivalents	\$ 5,148,170	\$ 7,870,995
<u>Supplemental Disclosures of Non-Cash Activities</u>		
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	\$ 91,323	\$ 1,587,470

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
KIDS CENTRAL, INC. AND SUBSIDIARY - 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 reported in the statement of activities as net assets released from restrictions.

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

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, and a corresponding liability is recorded.

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. Management believes all accounts receivable are collectible and, therefore, there is no allowance for credit losses. 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 \$5,000 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*, 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.

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

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.

Leases

Effective July 1, 2022, the Corporation adopted Accounting Standards Update 2016-02, *Leases* (Topic 842). The standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of financial position. Leases with a term of less than 12 months (short-term lease) do not result in the recognition of an ROU asset and lease liability and the payments are recognized as operating expense on a straight-line basis over the lease term.

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 Financial Accounting Standards Board (FASB) ASC 958-605, *Not-for-Profits*, 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 eligible expenses that have been incurred, but not yet reimbursed, are reported as unbilled grants receivable.

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

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 statements 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.

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, 2025	\$ 12,942,189
(Less Restricted Cash – Client Trust Funds)	<u>(999,161)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 11,943,028</u>

Note 3 - Property and Equipment

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

	Balance at June 30, 2025
Furniture and Equipment	\$ 1,904,611
Vehicles	1,219,533
(Accumulated Depreciation)	<u>(2,647,729)</u>
Property and Equipment, Net of Accumulated Depreciation	<u>\$ 476,415</u>
	Balance at June 30, 2024
Furniture and Equipment	\$ 1,904,628
Vehicles	1,322,890
(Accumulated Depreciation)	<u>(2,460,027)</u>
Property and Equipment, Net of Accumulated Depreciation	<u>\$ 767,491</u>

Total depreciation expense for all property and equipment as of June 30, 2025 and 2024, was \$290,941 and \$351,236, respectively.

Note 4 - Non-Cash Donations and Donated Services

During the fiscal years ended June 30, 2025 and 2024, 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 \$165,155 and \$145,817 for 2025 and 2024, respectively.

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

The Corporation received services from 1 volunteer for the fiscal years ended June 30, 2025 and 2024. 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 \$1,279 and \$1,422 for the years ended June 30, 2025 and 2024, 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 changed. The Corporation generally accounts for non-lease components, such as maintenance, separately from these components.

The Corporation records leases under the right of use (ROU) model that recognizes an asset and corresponding operating lease liability on the balance sheet. The Corporation calculates the present value of the lease using the incremental borrowing rate, which is the prime rate at the inception of the lease. In 2024 the client entered into a new building lease agreement with an incremental borrowing rate of 8.50%.

The ROU asset and lease liability balances as of June 30, 2025, for the Corporation are as follows:

<u>Leases</u>	<u>Classification</u>	<u>June 30, 2025</u>
Assets		
Operating	Operating Lease Asset	\$ 2,628,604
Total Lease Assets		<u>\$ 2,628,604</u>
Current Liabilities		
Operating	Operating Lease Liability	\$ 950,877
Long-Term Liabilities		
Operating	Operating Lease Liability	1,629,537
Total Lease Liabilities		<u>\$ 2,580,414</u>
Weighted Average Remaining Lease Term		74.99

Future maturities of the operating lease liabilities as of June 30, 2025, under the leases are as follows:

<u>Year Ending</u> <u>June 30,</u>		
2026	\$	1,106,063
2027		450,784
2028		252,260
2029		238,534
2030		1,228,092
Total Lease Payments		<u>3,275,733</u>
Less: Imputed Interest		(695,319)
Total Lease Payments	\$	<u><u>2,580,414</u></u>

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

In addition to the above-mentioned building space leases, the Corporation also leased equipment and storage space. These agreements expired on various dates in 2025 or were month-to-month leases. The total expense for all operating leases was \$855,128 and \$873,177 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, were \$323,592 and \$326,558, 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 Insurance, LLC (CBCCI)

During 2016, the Corporation and four other community-based care lead agency corporations each made initial capital contributions of \$50,000 to establish 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. As of June 30, 2025, the insurance captive was in the stages of dissolution and waiting on official approval for the termination agreement.

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 year ended June 30, 2024, recognizing revenue \$560,664. The agreement with CBC Integrated Health, LLC ended on March 31, 2024.

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

Note 10 - Subsequent Events

The Corporation has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through January 26, 2026, 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 Subsidiary (the Corporation), a non-profit organization, which comprise the statements of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 26, 2026.

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.

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Wildwood, Florida

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Purvis Gray

January 26, 2026
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 Subsidiary (the Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements identified in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on the Corporation's major federal programs and state projects for the year ended June 30, 2025. 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, 2025.

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.

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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 applicable 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 non-compliance 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

January 26, 2026
Ocala, Florida

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025
KIDS CENTRAL, INC. AND SUBSIDIARY - WILDWOOD, FLORIDA**

Grantor/Pass-Through Agency Program Title	Assistance Listing Number	Contract Number	Amounts Awarded to	
			Sub-Recipients	Expenditures
<u>Federal Awards</u>				
U.S. Department of Health and Human Services				
Passed Through Central Healthy Start Coalition, Inc.:				
Medical Assistance Program	93.778	LAK-2425	\$ -	\$ 347,261
Passed Through Healthy Start of North Central Florida Coalition, Inc.:				
Medical Assistance Program	93.778	ALA-2425	-	575,340
Passed Through State of Florida Department of Children and Families:				
Medical Assistance Program	93.778	PJ503	<u>87,954</u>	<u>353,049</u>
Total Medical Assistance Program			<u>87,954</u>	<u>1,275,650</u>
Passed Through Well Florida Council:				
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	MIECHV-MAR-2425-2	-	330,645
Passed Through Healthy Start of North Central Florida Coalition, Inc.:				
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	MIECHV-ALA-2425-2	<u>-</u>	<u>479,747</u>
Total Maternal, Infant, and Early Childhood Home Visiting Grant Program			<u>-</u>	<u>810,392</u>
Passed Through Central Healthy Start Coalition, Inc.:				
Maternal and Child Health Services Block Grant to the States	93.994	LAK-2425	-	28,978
Passed Through Healthy Start of North Central Florida Coalition, Inc.:				
Maternal and Child Health Services Block Grant to the States	93.994	ALA-2425	<u>-</u>	<u>93,665</u>
Total Maternal and Child Health Services Block Grant to the States			<u>-</u>	<u>122,643</u>
Passed Through State of Florida Department of Children and Families:				
Guardianship Assistance	93.090	PJ503	<u>-</u>	<u>519,318</u>
Promoting Safe and Stable Families	93.556	PJ503	378,889	1,129,747
Promoting Safe and Stable Families	93.556	LJ977	<u>-</u>	<u>-</u>
Total Promoting Safe and Stable Families			<u>378,889</u>	<u>1,129,747</u>

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025
KIDS CENTRAL, INC. AND SUBSIDIARY - WILDWOOD, FLORIDA**

Grantor/Pass-Through Agency Program Title	Assistance Listing Number	Contract Number	Amounts Awarded to	
			Sub-Recipients	Expenditures
<u>Federal Awards</u>				
Temporary Assistance for Needy Families (TANF)	93.558	PJ503	\$ 2,716,482	\$ 5,622,791
Grants to States for Access and Visitation Programs	93.597	PJ503	7,751	31,672
Chafee Education and Training Vouchers Program (ETV)	93.599	PJ503	-	103,838
Adoption Incentive Payments	93.603	PJ503	-	27,140
Stephanie Tubbs Jones Child Welfare Services Program	93.645	PJ503	410,218	816,394
Foster Care (Title IV-E)	93.658	PJ503	2,940,486	8,633,976
Adoption Assistance	93.659	PJ503	584,006	9,055,609
Social Services Block Grant	93.667	PJ503	283,236	3,945,250
Child Abuse and Neglect State Grants	93.669	PJ503	-	59,230
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	PJ503	-	<u>248,787</u>
Total Federal Awards			<u>7,409,022</u>	<u>32,402,437</u>

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025
KIDS CENTRAL, INC. AND SUBSIDIARY - WILDWOOD, FLORIDA**

Grantor/Pass-Through Agency Program Title	CSFA Number	Contract Number	Amounts Awarded to	
			Sub-Recipients	Expenditures
<u>State Financial Assistance</u>				
State of Florida Department of Children and Families				
Out-of-Home Supports	60.074	PJ503	\$ 3,963,835	\$ 14,910,751
CBC - Adoption Services	60.076	PJ503	-	94,679
Independent Living Program	60.112	PJ503	-	41,523
Extended Foster Care Program	60.141	PJ503	-	156,634
CBC - Purchase Therapeutic Services for Children	60.183	PJ503	131,207	321,615
Kinship Navigator Program	60.207	PJ503	-	316,558
Family Finders Program	60.206	PJ503	123,262	191,670
Continuing Care for Young Adults	60.209	PJ503	-	47,148
Guardianship Assistance Program	60.210	PJ503	-	73,193
CBC - Fatherhood Engagement Specialist	60.211	PJ503	-	101,784
Early Childhood Court Case Management and Prevention	60.225	PJ503	28,963	41,209
State Funded Child Care Subsidy	60.244	PJ503	-	<u>1,527,990</u>
Total State Financial Assistance			<u>4,247,267</u>	<u>17,824,754</u>
Total Federal Awards and State Financial Assistance			<u>\$ 11,656,289</u>	<u>\$ 50,227,191</u>

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025
KIDS CENTRAL, INC. AND SUBSIDIARY - 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 Subsidiary (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 SUBSIDIARY - 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
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Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.656?	No
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Identification of Major Programs and Major State Projects:

Federal Programs:

Adoption Assistance	Assistance Listing No. 93.659
Promoting Safe and Stable Families	Assistance Listing No. 93.556
Grants to States for Medicaid	Assistance Listing No. 93.778

State Projects:

Out-of-Home Supports	CFSA No. 60.074
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Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs:	\$972,073
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Dollar Threshold Used to Distinguish Between Type A and Type B Programs – State Programs:	\$750,000
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Auditee qualified as a low-risk auditee pursuant to the Uniform Guidance?	Yes
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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.

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