

AMIkids, Inc. and Affiliates

COMBINED FINANCIAL STATEMENTS AND SCHEDULES

Year ended June 30, 2021

(With comparative information for 2020)

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REPORT



INDEPENDENT AUDITORS' REPORT

Board of Trustees

AMIkids, Inc.

Report on the Financial Statements

We have audited the accompanying combined financial statements of AMIkids, Inc. and Affiliates (the "Organization"), which comprise the combined statement of financial position as of June 30, 2021, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audit. We conducted our audit 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of AMIkids, Inc. and Affiliates as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General, *Florida Single Audit Act Audits – Nonprofit and For-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Report on Supplementary Information

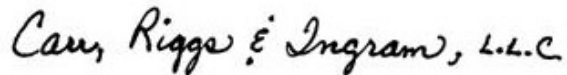
Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental schedules, as described in the table of contents, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 October 20, 2021, on our consideration of AMIkids, Inc. and Affiliates' 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 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 AMIkids Inc. and Affiliates' internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the AMIkids, Inc. and Affiliates' 2020 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated September 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.



CARR, RIGGS & INGRAM, LLC

Tampa, Florida
October 20, 2021



FINANCIAL STATEMENTS



AMikids, Inc. and Affiliates
Combined Statements of Financial Position

| <i>June 30,</i> | 2021 | 2020 |
|--|---------------|---------------|
| Assets | | |
| Cash and cash equivalents | \$ 22,615,185 | \$ 16,062,645 |
| Investments | 6,166,110 | 5,793,658 |
| Accounts receivable: | | |
| Funding agencies | 4,133,038 | 4,529,796 |
| Other | 806,454 | 510,600 |
| Contributions receivable | 95,878 | 338,071 |
| Prepaid expenses and other assets | 1,950,017 | 1,667,004 |
| Assets held for sale | 183,626 | 263,626 |
| Boat inventory | 2,396,566 | 9,196,614 |
| Boats under lease | 27,206,537 | 13,890,033 |
| Beneficial interest in assets held by others | 1,275,948 | 1,031,636 |
| Property and equipment, net | 12,915,569 | 13,395,651 |
| Total assets | \$ 79,744,928 | \$ 66,679,334 |
| Liabilities and Net Assets | | |
| Liabilities: | | |
| Lines of credit | \$ 4,750,000 | \$ 4,850,000 |
| Accounts payable | 1,292,403 | 2,947,636 |
| Accrued expenses | 8,004,264 | 8,013,337 |
| Accrued pension | 2,353,878 | 2,083,794 |
| Deferred revenues | 7,854,717 | 5,494,068 |
| Security deposits | 6,189,375 | 3,347,925 |
| Obligations under capital lease | 673,728 | 651,482 |
| Notes payable | 2,882,004 | 3,175,506 |
| Total liabilities | 34,000,369 | 30,563,748 |
| Net assets: | | |
| Without donor restrictions | | |
| Undesignated | 40,554,012 | 32,668,271 |
| With donor restrictions | 5,190,547 | 3,447,315 |
| Total net assets | 45,744,559 | 36,115,586 |
| Total liabilities and net assets | \$ 79,744,928 | \$ 66,679,334 |

The accompanying notes are an integral part of these combined financial statements.

AMikids, Inc. and Affiliates Combined Statements of Activities

| <i>For the years ended June 30,</i> | Without Donor Restrictions | With Donor Restrictions | 2021 Total | 2020 Summarized Total |
|---|-------------------------------|----------------------------|----------------------|--------------------------|
| Public support and revenue | | | | |
| State support: | | | | |
| Florida | \$ 15,953,782 | \$ - | \$ 15,953,782 | \$ 17,514,538 |
| South Carolina | 11,380,269 | - | 11,380,269 | 10,044,490 |
| Virginia | 6,276,266 | - | 6,276,266 | 8,322,789 |
| North Carolina | 2,877,578 | - | 2,877,578 | 2,877,600 |
| Louisiana | 2,130,976 | - | 2,130,976 | 3,035,815 |
| Georgia | 1,402,232 | - | 1,402,232 | 1,447,810 |
| New Mexico | 177,313 | - | 177,313 | - |
| Alabama | 137,216 | - | 137,216 | 332,311 |
| Texas | 68,391 | - | 68,391 | 502,661 |
| Federal support | 7,974,898 | - | 7,974,898 | 4,072,615 |
| Regional support | 6,782,936 | - | 6,782,936 | 7,662,540 |
| Contributions | 2,751,187 | 2,875,295 | 5,626,482 | 4,644,431 |
| Total public support | 57,913,044 | 2,875,295 | 60,788,339 | 60,457,600 |
| Revenue: | | | | |
| Boat program (Note 1) | 21,304,523 | - | 21,304,523 | 22,352,870 |
| Investment income | 607,383 | 139,343 | 746,726 | 292,640 |
| Other | 1,708,539 | - | 1,708,539 | 656,035 |
| Total revenue | 23,620,445 | 139,343 | 23,759,788 | 23,301,545 |
| Net assets released from restrictions | 1,271,406 | (1,271,406) | - | - |
| Total public support and revenue | 82,804,895 | 1,743,232 | 84,548,127 | 83,759,145 |
| Expenses | | | | |
| Program services | 53,064,300 | - | 53,064,300 | 56,846,370 |
| Boat program | 15,861,818 | - | 15,861,818 | 14,560,809 |
| Management and general | 5,674,603 | - | 5,674,603 | 5,920,461 |
| Fundraising | 318,433 | - | 318,433 | 534,578 |
| Total expenses | 74,919,154 | - | 74,919,154 | 77,862,218 |
| Change in net assets | 7,885,741 | 1,743,232 | 9,628,973 | 5,896,927 |
| Net assets, beginning of year | 32,668,271 | 3,447,315 | 36,115,586 | 30,218,659 |
| Net assets, end of year | \$ 40,554,012 | \$ 5,190,547 | \$ 45,744,559 | \$ 36,115,586 |

The accompanying notes are an integral part of these combined financial statements.

AMikids, Inc. and Affiliates Combined Statements of Functional Expenses

| | Program Services | | | | | | Supporting Services | | | | 2021 | 2020 |
|--------------------------------------|-----------------------|----------------------|---------------------|----------------------|-------------------|----------------------|----------------------|------------------------|-------------------|---------------------------|----------------------|----------------------|
| | Residential Treatment | Day Treatment | Family Services | Service Coordination | Other | Programs subtotal | Boat Program | Management and General | Fundraising | Support Services subtotal | Total | Summarized Total |
| <i>For the years ended June 30,</i> | | | | | | | | | | | | |
| Salaries | \$ 12,998,076 | \$ 11,264,467 | \$ 2,339,435 | \$ 381,623 | \$ - | \$ 26,983,601 | \$ 1,112,239 | \$ 2,355,209 | \$ 180,794 | \$ 3,648,242 | \$ 30,631,843 | \$ 31,397,392 |
| Employee benefits and payroll taxes | 3,825,827 | 3,313,967 | 656,453 | 87,708 | - | 7,883,955 | 203,228 | 711,081 | 50,163 | 964,472 | 8,848,427 | 7,881,679 |
| Equipment and maintenance | 1,267,325 | 824,385 | 29,043 | 6,209 | - | 2,126,962 | 2,296,878 | 131,880 | 275 | 2,429,033 | 4,555,995 | 4,242,926 |
| Insurance | 1,017,660 | 1,096,504 | 232,505 | 21,716 | 244 | 2,368,629 | 384,947 | 226,087 | - | 611,034 | 2,979,663 | 2,571,429 |
| Student supplies and training | 1,200,361 | 887,656 | 4,520 | - | - | 2,092,537 | - | 3 | - | 3 | 2,092,540 | 2,987,137 |
| Rent and utilities | 1,246,432 | 570,084 | 97,498 | 9,331 | - | 1,923,345 | 14,619 | 44,491 | - | 59,110 | 1,982,455 | 2,137,850 |
| Professional fees | 159,301 | 214,540 | 13,861 | - | - | 387,702 | 414,692 | 1,211,607 | 45,509 | 1,671,808 | 2,059,510 | 2,710,545 |
| Office and other supplies | 523,101 | 385,206 | 88,222 | 6,482 | 2,545 | 1,005,556 | 74,907 | 648,078 | 33,883 | 756,868 | 1,762,424 | 1,599,415 |
| Depreciation and amortization | 426,694 | 718,767 | 8,289 | - | 232,155 | 1,385,905 | 167,326 | 21,129 | - | 188,455 | 1,574,360 | 1,552,360 |
| Impairment and other expenses | 163 | 10,063 | 9,580 | - | - | 19,806 | 340,846 | - | - | 340,846 | 360,652 | 800,574 |
| Conferences and training | 166,818 | 133,176 | 146,998 | 162 | - | 447,154 | 2,030 | 43,574 | 619 | 46,223 | 493,377 | 631,900 |
| Travel | 263,979 | 93,274 | 18,465 | 794 | - | 376,512 | 61,588 | 23,348 | 3,635 | 88,571 | 465,083 | 745,710 |
| Community development | 11,634 | 146,735 | 2,898 | 23 | - | 161,290 | 4,086 | 143,311 | 235 | 147,632 | 308,922 | 666,081 |
| Other staff expenses | 153,945 | 107,741 | 7,012 | 1,499 | - | 270,197 | 924 | 22,457 | 3,320 | 26,701 | 296,898 | 309,897 |
| Interest | 35,217 | 21,291 | 111 | - | 1,184 | 57,803 | 122,463 | 92,348 | - | 214,811 | 272,614 | 452,529 |
| Payments to direct service providers | - | - | - | 5,573,346 | - | 5,573,346 | - | - | - | - | 5,573,346 | 7,619,869 |
| Amortization of boats on charter | - | - | - | - | - | - | 4,561,314 | - | - | 4,561,314 | 4,561,314 | 2,984,608 |
| Commissions | - | - | - | - | - | - | 3,679,067 | - | - | 3,679,067 | 3,679,067 | 3,436,957 |
| Costs of sales | - | - | - | - | - | - | 2,420,664 | - | - | 2,420,664 | 2,420,664 | 3,133,360 |
| Total Expenses | \$ 23,296,533 | \$ 19,787,856 | \$ 3,654,890 | \$ 6,088,893 | \$ 236,128 | \$ 53,064,300 | \$ 15,861,818 | \$ 5,674,603 | \$ 318,433 | \$ 21,854,854 | \$ 74,919,154 | \$ 77,862,218 |

The accompanying notes are an integral part of these combined financial statements.

AMikids, Inc. and Affiliates Combined Statements of Cash Flows

| <i>For the years ended June 30,</i> | 2021 | 2020 |
|--|----------------------|----------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 9,628,973 | \$ 5,896,927 |
| Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities: | | |
| Depreciation and amortization | 6,135,674 | 4,536,968 |
| Net (gain) loss on disposal/impairment of property and equipment and assets held for sale | (1,186,582) | 2,019,833 |
| Donated boat inventory | (12,275,231) | (14,410,182) |
| Donated property and equipment | - | (39,071) |
| Realized and unrealized gains on investments | (647,526) | (113,095) |
| (Increase) decrease in: | | |
| Accounts receivable | 100,504 | 1,280,100 |
| Contributions receivable | 242,193 | (298,071) |
| Prepaid expenses and other assets | 1,106,817 | 667,253 |
| Boats under lease | 1,192,547 | 1,918,596 |
| Increase (decrease) in: | | |
| Accounts payable | (1,655,233) | (40,179) |
| Accrued expenses | (9,073) | 510,023 |
| Accrued pension | 270,084 | (14,140) |
| Deferred revenues | 2,360,649 | 2,033,106 |
| Security deposits | 2,841,450 | 275,925 |
| Net cash and cash equivalents provided by operating activities | 8,105,246 | 4,223,993 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (1,871,761) | (1,996,225) |
| Proceeds from sale of property and equipment and assets held for sale | 2,336,248 | 111,580 |
| Proceeds from sale of investments | 6,239,324 | 2,992,741 |
| Purchases of investments | (6,208,562) | (1,088,005) |
| Net cash and cash equivalents provided by investing activities | 495,249 | 20,091 |
| Cash flows from financing activities: | | |
| Net borrowings (repayments) on lines of credit | (100,000) | 1,000,000 |
| Proceeds from new borrowings from third parties | 229,870 | - |
| Payments on notes payable | (1,912,120) | (801,310) |
| Payments on capital lease obligations | (265,705) | (166,101) |
| Net cash and cash equivalents (used in) provided by financing activities | (2,047,955) | 32,589 |
| Net increase in cash and cash equivalents | 6,552,540 | 4,276,673 |
| Cash and cash equivalents at beginning of year | 16,062,645 | 11,785,972 |
| Cash and cash equivalents at end of year | \$ 22,615,185 | \$ 16,062,645 |
| Cash paid for interest | \$ 272,614 | \$ 452,529 |
| Supplemental disclosure of noncash investing and financing activities: | | |
| Capital lease obligation incurred for use of equipment | \$ 286,869 | \$ 756,392 |
| Insurance premium financing | \$ 1,389,830 | \$ 742,710 |

The accompanying notes are an integral part of these combined financial statements.

AMIkids, Inc. and Affiliates

Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

AMIkids, Inc., AMIkids Foundation, Inc., and affiliated member institutes and schools, non-profit corporations (collectively referred to as “AMIkids” or the “Organization”), are engaged in the rehabilitation of troubled youth by providing education, treatment and behavior modification as components of the AMIkids Personal Growth Model[®]. These services are performed by AMIkids through over forty affiliated, but independently governed member institutes and schools located in Alabama, Florida, Georgia, Louisiana, New Mexico, North Carolina, South Carolina, Texas and Virginia. The educational component of AMIkids, Inc. and the affiliated institutes and schools is accredited by Cognia, a global accrediting agency dedicated to advancing excellence in schools, universities, and educational agencies. AMIkids’ operating funds are primarily generated from state and federal contracts. AMIkids, Inc. executes the majority of contracts, collects funds, coordinates the operations, and maintains the records of these member institutes and schools.

As part of the combined group, AMIkids Foundation, Inc. supports the group in raising funds and investment management.

Continued operation of AMIkids’ rehabilitation programs is dependent on funding from state, federal and local agencies.

Basis of Presentation

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

The combined financial statements include the accounts of AMIkids, Inc., AMIkids Foundation, Inc., and affiliated member institutes and schools. All significant intercompany balances and transactions have been eliminated.

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

AMikids, Inc. and Affiliates

Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and capital assets reserve.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the 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. Estimates that are particularly susceptible to significant change in the near term are related to allowance for doubtful accounts, fair value of investments and net realizable value of boat inventory.

Cash and Cash Equivalents

Cash and cash equivalents represent cash and highly liquid investments with original maturities of three months or less.

AMIkids, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Investment Income

Investments are recorded at cost at the time of purchase. Donated securities are recorded at fair value at the time of donation. Subsequent changes in fair value, regardless of how an investment is obtained, are determined based on quoted market prices and values provided by the investment sponsors, and are recorded as unrealized gains and losses. Net appreciation (depreciation) of investments reflects the net realized and unrealized gains and losses of investments during the reporting period. Interest and dividends are recorded as earned. Dispositions of securities are reflected in the combined financial statements as of the trade date.

Beneficial Interest in Assets Held by Others

Beneficial interest in assets held by others consist of funds held by the Community Foundation of Tampa Bay, Southwest Florida Community Foundation and the Manatee Community Foundation (“Community Foundations”), unrelated organizations. The Community Foundations are an external investment pool, where the Organization has a beneficial interest in the investment pool and no individual securities. The Organization has no control over investment pricing or investment selection within the investment pool.

Accounts Receivable

Accounts receivable consists primarily of receivables from federal and state agencies and county school boards. AMIkids reviews outstanding receivables for collectability based on historical payment history from the payer and any known circumstances casting doubt over the collectability of accounts and reserves for amounts considered to be uncollectible. AMIkids considers accounts receivable to be fully collectible and therefore no material allowance has been recorded. Amounts becoming uncollectible will be charged against the allowance for doubtful accounts when that determination is made.

Contributions Receivable

Unconditional promises to give the Organization in cash or other assets in the future are recorded as contribution revenue (with donor restriction) and contributions receivable. If management expects the cash from the contribution receivable to be received more than one year in the future, the contribution revenue and receivable are discounted for the time value of money (i.e., net present value) at a discount rate of 2.75% for 2021. Management estimates the allowance for uncollectible promises based on historical write-offs. Management writes off contributions receivable as identified.

In accordance with ASC 958-605-30-5 pledges are reported at net realizable value in the initial year and a discount is recorded. These pledges are not revalued in subsequent years and the Institute has not elected the fair value option under ASC 825-10. The discount amortization is recognized as contribution revenue in subsequent years.

AMikids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Boat Inventory

Boat inventory represents boats held for lease which are valued at fair value less estimated selling expenses at the time of the donation. Boat inventory is recorded at net realizable value, as of June 30, 2021 and 2020, and was \$2,396,566 and \$9,196,614, respectively. Net realizable value is estimated based on third party appraisals, broker valuations, management's experience with the boat charter industry and estimated selling expenses are based on management's historical relationship with brokers. Net realizable values are reviewed quarterly by management and are reduced for impairment when necessary. Adjustments to net realizable values are recorded as a reduction in boat program revenue if the adjustment is made during the year of the donation and as an increase in boat program expense if made in subsequent years. Normal expenditures for repairs and maintenance of boats are expensed as incurred.

Boats under Lease

AMikids leases its boats to third parties under operating leases for periods of up to three years. The operating leases contain options to purchase the boat at the end of the charter period for the fair value estimated by management at lease inception, with all of the lease payments applied to the purchase price. Revenues are recognized as received except for security deposits, the option fee, and short-term lease payments, an additional payment made for the one year period commencing on the lease commencement date. Security deposits are recorded as a liability and are recognized as revenue if and when the purchase option is exercised. The option fee and short-term lease payments are amortized over the life of the lease. If the purchase option is not exercised, the boat is returned to AMikids, Inc. and the security deposit is returned to the lessee after deducting all necessary expenses for the boat to be in the same condition as at time of initiation of the lease. Lease commission and inventory value are deferred and amortized over the life of the lease and other direct costs are expensed as incurred.

Future minimum lease payments due under operating leases during fiscal years 2022, 2023 and 2024 are approximately \$4,672,000, \$3,495,000 and \$1,488,000, respectively. At June 30, 2021 and 2020, the unexercised purchase options were approximately \$11,960,000 and \$6,473,000, respectively. The gross value and accumulated amortization on leased property as of June 30, 2021 was \$40,014,912 and \$12,808,375, respectively. The net leased property of \$27,206,537 includes \$1,845,898 of unamortized commission. The gross value and accumulated amortization on leased property as of June 30, 2020 was approximately \$16,785,210 and \$2,895,177, respectively. The net leased property of approximately \$13,890,033 includes \$833,451 of unamortized commission. Amortization of boats under lease amounted to approximately \$4,562,000 and \$2,988,000 for the years ended June 30, 2021 and 2020, respectively. Amortization does not include the book value of boats optioned or sold to buyers, which was approximately \$2,029,873 and \$3,190,000 for the years ended June 30, 2021 and 2020, respectively.

AMikids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost if purchased or at estimated fair value at date of receipt if donated. Property and equipment transferred to an institute or school by a funding agency are stated at estimated fair value at date of transfer. Property and equipment transferred or acquired with grant funds may revert to the funding agency should the institute or school no longer provide the services required by the contract. At the time property is retired, or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in earnings. Repairs and maintenance are expensed when incurred.

Depreciation and amortization is calculated using the straight-line method over the following estimated useful lives of the assets (shorter of estimated useful life or term of the lease as to leasehold improvements) as follows:

| | |
|--------------------------------------|------------|
| Permanent site improvements | 3-30 years |
| Buildings and leasehold improvements | 5-30 years |
| Furniture, fixtures and equipment | 3-5 years |
| Motor vehicles | 3-5 years |
| Boats, motors and trailers | 3 years |
| Swimming pools | 10 years |

Assets Held for Sale

As of June 30, 2021 and 2020, the Organization intends to sell the following properties and has classified the net book value of the land, building and improvements as held for sale on the combined statement of financial position:

| Institute | Property held for sale as of June 30, | 2021 | 2020 |
|---------------------|---------------------------------------|-------------------|-------------------|
| Behavioral Health | Land | \$ - | \$ 80,000 |
| Gainesville | Land, buildings and improvements | 63,626 | 63,626 |
| Virginia Wilderness | Land, buildings and improvements | 120,000 | 120,000 |
| | | \$ 183,626 | \$ 263,626 |

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets and Assets Held for Sale

AMikids reviews all long-lived assets, which consist primarily of property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the discounted cash flows. Recoverability of assets held for sale is measured by a comparison of the assets' carrying value to its fair value and any excess of its carrying value over fair value is recorded as impairment.

Deferred Revenue

Deferred revenue is related to grant, short-term boat lease payments, and boat option fees collected in advance of revenue recognition.

During 2021 and 2020, the Organization received \$846,636 and \$2,486,259, respectively in loan proceeds under the Paycheck Protection Program (PPP) pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and administered by the Small Business Administration (SBA). The PPP provides for forgivable loans to qualifying organizations. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll costs, rent and utilities and the borrower maintains specified levels of payroll and employment.

If the loans are not forgiven, the lender will establish the terms for repayment of the loan balance including monthly payments and the interest rate (not exceeding 1% per annum). Legislation issued subsequent to the date the loans were executed allows for monthly principal and interest payments on the loan to commence on the date the SBA remits the borrower's loan forgiveness amount to the lender or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period through the loan maturity date.

The Organization is recognizing revenue from the PPP loan following the guidance under FASB ASC 958-605, government grant model. PPP loans are considered a conditional contribution and recorded as deferred revenue on the combined statements of financial position until all the barriers to entitlement are met. The Organization considers the barriers to be incurrence of eligible costs and maintaining specified levels of payroll and employment. Revenue is recognized once conditions have been substantially met or explicitly waived.

The Organization is using the PPP loan funds for its payroll and benefits costs, purposes consistent with the PPP. The Organization is uncertain about qualifications for forgiveness and, therefore, will delay recognition of the PPP loan as contribution revenue until it is forgiven. As of June 30, 2020, PPP loan funds are recorded as a deferred revenue on the combined statements of financial position.

AMIkids, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In 2021, the Organization received SBA notification that \$2,486,259 of PPP loan proceeds were forgiven. The Organization has reported the forgiveness as federal revenue on the combined statements of activities.

Unforgiven PPP loan proceeds by affiliate as of June 30, 2021 are as follows and included in deferred revenues on the combined statements of net position.

| Affiliate | Loan proceeds |
|---------------------------------|---------------|
| AMIkids Acadiana, Inc. | \$ 316,527 |
| AMIkids Alabama, Inc. | 24,647 |
| AMIkids Rio Grande Valley, Inc. | 101,600 |
| AMIkids YES, Inc. | 403,862 |
| Total loan proceeds | \$ 846,636 |

Use of Facilities

Facilities provided by a funding agency and other donors to an institute or school for use during the term of its contract are recorded as an in-kind contribution and rental expense in the financial statements in the period in which the facilities are utilized by the institute or school. The amounts recorded in each period of use by the institute or school represent the difference between the fair rental value of the facilities and the stated amount of the rent payments. The stated amount of the rent payments is generally zero. In-kind rental contributions and the related rental expense were approximately \$455,000 and \$425,000 for the years ended June 30, 2021 and 2020, respectively, and are reflected as contribution revenue and rent and utilities expense, respectively, in the accompanying combined financial statements.

Public Support and Revenue

Public support is primarily from AMIkids's contracts with various state agencies. Contracts with state agencies generally provide funding based on client service days. Other public support represents amounts received from federal and local sources.

A significant portion of AMIkids's and the Institute's grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Public support contracts are analyzed for measurable performance-related barriers or other measurable barriers, primarily client service days or expenditure of resources on allowable costs. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as deferred revenues.

AMIkids, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Public Support and Revenue (Continued)

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions are initially recorded as increases in net assets with donor restrictions.

Donated Services

Amounts are reported in the financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by the individuals possessing those skills and would be typically purchased if not provided by donation. For the years ended June 30, 2021 and 2020, donated services were approximately \$109,000 and \$99,000, respectively.

Functional Allocation of Expenses

The costs of providing the various services have been summarized on a functional basis between program services, and supporting services. Certain costs have been allocated among program services and supporting services. Salaries are allocated based on the time and effort expended between program and supporting services. Rent and Utilities and Equipment and Maintenance costs are allocated based on the ratio allocation of salaries between program and management and general.

Income Taxes

AMIkids, Inc., AMIkids Foundation, Inc., and affiliated member institutes and schools are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. There is minimal income tax associated with unrelated business income mainly from the sale of donated boats.

The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the combined statement of financial position. The Organization has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Organization would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Organization's tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

AMikids, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain items relating to Virginia state support and payments to direct service providers have been reclassified in the 2020 financial statements to agree to the current presentation. There was no impact to the change in net assets.

Recent Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This change in accounting principle did not have a material impact on the combined financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance. This change in accounting principle did not have a material impact on the combined financial statements.

In February 2016, the FASB issued an accounting standard which requires the recognition of assets and liabilities arising from lease transactions on the statement of financial position and the disclosure of additional information about leasing arrangements. Under the new guidance, for all leases, interest expense and amortization of the right to use asset will be recorded for leases determined to be financing leases and straight-line lease expense will be recorded for leases determined to be operating leases. Lessees will initially recognize assets for the right to use the leased assets and liabilities for the obligations created by those leases. The new accounting standard must be adopted using a modified retrospective approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The accounting standard is effective for the Organization beginning with the year ended June 30, 2022, with early adoption permitted. The Organization is currently in the process of assessing what impact this new standard may have on its combined financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the combined financial statements were available to be issued, October 20, 2021 and determined there were no events that occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these combined financial statements.

AMIkids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 2: COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2020, from which the summarized information was derived.

NOTE 3: CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2021 are summarized as follows:

| | |
|---|------------------|
| <u>Expected receipt of contribution in:</u> | |
| 2022 | \$ 41,168 |
| 2023 | 20,000 |
| 2024 | 20,000 |
| 2025 | 20,000 |
| <u>Gross contributions receivable</u> | <u>101,168</u> |
| <u>Less discount for present value</u> | <u>(5,290)</u> |
| <u>Net contributions receivable</u> | <u>\$ 95,878</u> |

NOTE 4: BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Board Designated Funds

During 2016, the Organization created a board designated donor-advised fund. The board designated fund was created with a contribution of \$283,770. The fund investments are under the direction of the Southwest Florida Community Foundation and will be for the benefit of qualified charitable organizations. The board designated funds are considered net assets without donor restrictions. The Organization has the ability to direct the Community Foundation as to distributions. The intent of the Organization is to direct all distributions to benefit the Organization.

During 2019, the Organization created a Non-Profit Organization Agency Fund. The fund was created with a contribution of \$75,000. The fund investments are under the direction of the Manatee Community Foundation and will be for the benefit of AMIkids Manatee, Inc. The agency funds are considered net assets without donor restrictions. The Organization has the ability to direct the Community Foundation as to distributions. The intent of the Organization is to distribute funds to AMIkids Manatee for its unrestricted use.

AMIkids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 4: BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (Continued)

Donor Restricted Funds (Continued)

During 2016, the Organization created a board designated endowment fund with a donation of \$25,000 to the Southwest Florida Community Foundation. During 2018, the Organization received a \$30,000 restricted donation to the fund to be used for education services. The donor restricted fund is invested in the Southwest Florida Community Foundation. The fund investments are under the direction of the Community Foundation. The funds are considered net assets with donor restrictions. The Organization has the ability to direct the Community Foundation as to distributions. The intent of the Organization is to direct all distributions to educational services.

During 2020, the Organization created an AMIkids Endowment Fund. The fund was created with a contribution of \$400,000. The fund investments are under the direction of the Community Foundation of Tampa Bay and will be for the benefit of AMIkids Foundation, Inc. The fund investments are under the direction of the Community Foundation. The intent of this fund is to maintain the corpus and to make distributions from investment appreciation. The funds are considered net assets with donor restrictions. The Organization has the ability to distribute all dividends and interest less investment fees for educational services.

The activity for the beneficial interest in assets held by others for the years ended June 30, 2021 and 2020 is the following:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|------------------------|-------------------------------|----------------------------|---------------------|
| June 30, 2020 | | | |
| Board designated funds | \$ 592,488 | \$ - | \$ 592,488 |
| Donor restricted funds | - | 58,595 | 58,595 |
| Total | \$ 592,488 | \$ 439,148 | \$ 1,031,636 |
| June 30, 2021 | | | |
| Board designated funds | \$ 709,933 | \$ - | \$ 709,933 |
| Donor restricted funds | - | 566,015 | 566,015 |
| Total | \$ 709,933 | \$ 566,015 | \$ 1,275,948 |

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|---------------------|
| June 30, 2019 | \$ 600,381 | \$ 61,582 | \$ 661,963 |
| Net appreciation (realized and unrealized) | (7,893) | (22,434) | (30,327) |
| Contributions | - | 400,000 | 400,000 |
| June 30, 2020 | \$ 592,488 | \$ 439,148 | \$ 1,031,636 |
| Net appreciation (realized and unrealized) | 117,445 | 126,867 | 244,312 |
| June 30, 2021 | \$ 709,933 | \$ 566,015 | \$ 1,275,948 |

NOTE 5: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the organization has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Level 1 Fair Value Measurements:

Level 1 investments include certificates of deposits, pooled equity funds, pooled fixed income funds, equity securities and government securities valued based on quoted market prices.

Level 2 Fair Value Measurements:

Level 2 investments include money market funds valued based on quoted prices for identical or similar assets or liabilities in inactive markets.

AMikids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

Level 3 Fair Value Measurements:

Level 3 assets consist of beneficial interest in assets held by others managed by a third-party unrelated organization. The beneficial interest in assets held by others are valued based on third-party pricing information without adjustment. The Organization does not develop nor are they provided with the quantitative inputs used to develop the fair market values. See activity of beneficial interest in assets held by others in Note 4.

The following tables present the fair value of the investments recorded at fair value on a recurring basis, segregated amount the appropriate levels within the fair value hierarchy for the years ended June 30, 2021 and 2020, respectively:

| <i>June 30, 2021</i> | Fair Value | Fair Value Measurements at Reporting Date Using: | | |
|--|---------------------|--|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Investments | | | | |
| Certificates of deposits | \$ 386,482 | \$ 386,482 | \$ - | \$ - |
| Pooled equity funds | 2,544,134 | 2,544,134 | - | - |
| Equity securities | 470,838 | 470,838 | - | - |
| Government securities | 2,764,656 | 2,764,656 | - | - |
| Total investments | 6,166,110 | 6,166,110 | - | - |
| Beneficial interest in assets held by others | 1,275,948 | - | - | 1,275,948 |
| Total | \$ 7,442,058 | \$ 6,166,110 | \$ - | \$ 1,275,948 |

| <i>June 30, 2020</i> | Fair Value | Fair Value Measurements at Reporting Date Using: | | |
|--|---------------------|--|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Investments | | | | |
| Certificates of deposits | \$ 54,478 | \$ 54,478 | \$ - | \$ - |
| Pooled equity funds | 2,085,398 | 2,085,398 | - | - |
| Money market funds | 502,013 | - | 502,013 | - |
| Equity securities | 324,038 | 324,038 | - | - |
| Government securities | 2,827,731 | 2,827,731 | - | - |
| Total investments | 5,793,658 | 5,291,645 | 502,013 | - |
| Beneficial interest in assets held by others | 1,031,636 | - | - | 1,031,636 |
| Total | \$ 6,825,294 | \$ 5,291,645 | \$ 502,013 | \$ 1,031,636 |

AMikids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 and 2020 consist of:

| | 2021 | 2020 |
|--|----------------------|---------------|
| Land and permanent site improvements | \$ 3,246,550 | \$ 3,210,976 |
| Buildings and leasehold improvements | 19,883,561 | 20,540,389 |
| Furniture, fixtures and equipment | 6,583,689 | 6,652,809 |
| Motor vehicles | 2,448,017 | 2,575,941 |
| Boats, motors and trailers | 1,562,602 | 1,590,245 |
| Swimming pools | 474,634 | 467,811 |
| Software | 2,280,516 | 2,280,516 |
| Construction in progress | 2,553,566 | 1,835,510 |
| | 39,033,135 | 39,154,197 |
| Less accumulated depreciation and amortization | (26,117,566) | (25,758,546) |
| | \$ 12,915,569 | \$ 13,395,651 |

Included in furniture, fixtures and equipment and motor vehicles are assets recorded under capital leases with a cost and accumulated depreciation of \$1,026,303 and \$375,384, respectively, at June 30, 2021 and \$842,999 and \$204,239 respectively, at June 30, 2020.

Certain of AMikids' affiliated institutes and schools have purchased various assets with contract or grant funds. Under the terms of these contracts, the funding agency may require such assets to be returned upon termination of the contract or program.

NOTE 7: LINES OF CREDIT

Lines of credit at June 30, 2021 and 2020 consist of:

| Entity | 2021 | 2020 |
|--|---------------------|---------------------|
| AMikids, Inc. Line of Credit, maximum principal amount of \$3,000,000, bearing variable interest at 2.4% above the SunTrust 30 Day LIBOR (interest rate at June 30, 2021 and 2020 was 2.75% and 2.60%, respectively), expiring June 10, 2022, collateralized by government receivables, with carrying value of approximately \$2,400,000. | \$ - | \$ - |
| AMikids, Inc. Line of Credit, maximum principal amount of \$8,000,000, bearing variable interest at 2.4% above the SunTrust 30 Day LIBOR (interest rate at June 30, 2021 and 2020 was 2.75% and 2.60%, respectively), expiring June 10, 2022, collateralized by vessel inventory and lease receivables with carrying value of approximately \$21,945,000. | 4,750,000 | 4,850,000 |
| Total Borrowings on Lines of Credit | \$ 4,750,000 | \$ 4,850,000 |

AMikids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 7: LINES OF CREDIT (Continued)

The AMikids, Inc. lines of credit are cross-collateralized and are secured by the borrowing-base assets disclosed above as well as other assets of AMikids, Inc.

At June 30, 2021 and 2020, the Organization had a borrowing capacity of \$11,000,000 under lines of credit subject to availability based on asset levels. The actual amount available based on assets levels as of June 30, 2021 and 2020 in excess of the amount utilized was approximately \$6,250,000 and \$4,350,000, respectively. The AMikids, Inc. lines of credit contain restrictive financial covenants related to liquidity to modified debt ratio and the maintenance of minimum cash and marketable securities levels. The Organization was in compliance with these restrictive covenants as of and for the years ended June 30, 2021 and 2020.

NOTE 8: NOTES PAYABLE

Notes payable at June 30, 2021 and 2020 consists of:

| Entity | | 2021 | 2020 |
|----------------------------|--|---------------------|---------------------|
| AMikids, Inc. | Mortgage payable bearing interest at 30 Day LIBOR index rate plus 2.05%; monthly installments of \$13,889 plus interest, due February 2023, collateralized by real properties in Pinellas and Hillsborough Counties, with carrying value of approximately \$369,000. | \$ 1,958,333 | \$ 2,125,000 |
| AMikids, Inc. | Insurance premium financing bearing interest of 3.75%; monthly installments of \$125,056 plus interest; due November 2021 | 496,281 | 300,016 |
| Jacksonville | Mortgage payable in monthly principal installments of \$3,927 plus interest of 4.15%, due March 2032, secured with real property, with carrying value of \$587,000, and guaranteed by AMikids, Inc. | 407,820 | 436,239 |
| Panama City | Mortgage payable in monthly installments of \$3,410, including interest at 4.75% with balloon payment of approx. \$232,552, due January 2022, paid in full during 2021. | - | 275,726 |
| Tampa | Note payable in monthly installments of \$377, including interest at 6.33%, due December 2023, collateralized by vehicle with carrying value of approximately \$-0- | 10,117 | 13,872 |
| Acadiana | Note payable in monthly installments of \$713, including interest at 9.94%, due January 2022, collateralized by vehicle, with carrying value of \$-0- | 4,891 | 12,480 |
| Acadiana | Note payable in monthly installments of \$672, including interest at 5.84%, due January 2022, collateralized by vehicle, with carrying value of \$-0- | 4,562 | 12,173 |
| Total Notes Payable | | \$ 2,882,004 | \$ 3,175,506 |

AMikids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 8: NOTES PAYABLE (Continued)

Principal payments on notes payable for years subsequent to June 30, 2021 are as follows:

| Year ending June 30, | | |
|----------------------|----|-----------|
| 2022 | \$ | 707,186 |
| 2023 | | 1,828,014 |
| 2024 | | 35,300 |
| 2025 | | 34,859 |
| 2026 | | 36,333 |
| Thereafter | | 240,312 |
| | \$ | 2,882,004 |

NOTE 9: OBLIGATIONS UNDER CAPITAL LEASE

The Organization leases vehicles and office equipment, under various capital leases. The economic substance of the lease is that the Organization is financing the acquisition of the assets through the lease, and accordingly, it is recorded in the Organization's assets and liabilities.

The following is an analysis of the leased assets included in property and equipment:

| <i>As of June 30,</i> | 2021 | 2020 |
|-----------------------------------|-------------------|------------|
| Furniture, fixtures and equipment | \$ 69,734 | \$ 86,616 |
| Motor vehicles | 956,569 | 756,383 |
| | 1,026,303 | 842,999 |
| Less: accumulated depreciation | (375,384) | (204,239) |
| | \$ 650,919 | \$ 638,760 |

Future minimum lease payments subsequent to June 30, 2021 are as follows:

| Year ending June 30, | | |
|---|----|----------|
| 2022 | \$ | 301,411 |
| 2023 | | 296,580 |
| 2024 | | 105,752 |
| 2025 | | 64,485 |
| Total minimum lease payments | | 768,228 |
| Less amounts representing interest | | (94,500) |
| Present value of minimum lease payments | \$ | 673,728 |

AMIkids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 10: ACCRUED EXPENSES

Accrued expenses at June 30, 2021 and 2020 consist of:

| | 2021 | 2020 |
|--|---------------------|---------------------|
| Workers compensation self-funded reserve | \$ 2,925,233 | \$ 2,402,629 |
| Vehicle and other self-funded reserves | 1,373,400 | 909,260 |
| Medical self-funded reserve | 500,000 | 500,000 |
| Accrued payroll | 1,216,960 | 782,954 |
| Accrued vacation | 419,071 | 941,112 |
| Accrued severance and unemployment | 8,108 | 31,317 |
| Accrued boat program payments | 723,512 | 1,382,868 |
| Other accruals | 837,980 | 1,063,197 |
| | \$ 8,004,264 | \$ 8,013,337 |

NOTE 11: RESTRICTIONS AND LIMITATIONS ON NET ASSETS

Net assets with donor restrictions consist of the following at June 30, 2021 and 2020:

| | 2021 | 2020 |
|--------------------------|---------------------|---------------------|
| Education / Scholarship | \$ 2,205,898 | \$ 1,184,845 |
| Experiential Activities | 406,797 | 321,282 |
| Building / Equipment | 216,810 | 409,741 |
| Girls Initiative Program | 371,534 | 428,086 |
| Other | 1,142,346 | 607,123 |
| Endowment | 847,162 | 496,238 |
| | \$ 5,190,547 | \$ 3,447,315 |

The income from the endowment funds is restricted to assist former students of AMIkids' programs with educational or employment-related expense.

AMikids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 11: RESTRICTIONS AND LIMITATIONS ON NET ASSETS (Continued)

Net assets were released from donor restrictions by occurrence of events specified by donors as follows for the years ended June 30, 2021 and 2020.

| | 2021 | 2020 |
|-------------------------|---------------------|--------------|
| Education / Scholarship | \$ 761,206 | \$ 387,677 |
| Experiential Activities | 7,753 | 144,118 |
| Building / Equipment | 175,362 | 83,089 |
| The Girls Initiative | 56,550 | - |
| Other | 270,535 | 949,765 |
| | \$ 1,271,406 | \$ 1,564,649 |

NOTE 12: ENDOWMENTS

The Organization's endowment consists of three individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors of the Organization has interpreted the State of Florida's Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

AMikids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 12: ENDOWMENTS (Continued)

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

Spending Policy. The Organization has a policy of appropriating for distribution each year 4% of its endowment fund's average fair value of the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at an average rate of 3% annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund follows:

| <i>June 30,</i> | 2021 | 2020 |
|---|-------------------|------------|
| Endowment funds with donor restrictions | \$ 847,162 | \$ 496,238 |
| Total endowment funds | \$ 847,162 | \$ 496,238 |

AMIkids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 12: ENDOWMENTS (Continued)

Changes in endowment net assets follow:

| <i>June 30,</i> | Without Donor Restrictions | With Donor Restrictions | 2021 | 2020 |
|--|---------------------------------------|------------------------------------|-------------|-------------|
| Endowment net assets - | | | | |
| July 1, | \$ - | \$ 496,238 | \$ 496,238 | \$ 160,986 |
| Contributions | - | 34,535 | 34,535 | 400,000 |
| Investment income | - | 130,099 | 130,099 | (19,748) |
| Transfer of assets with donor restrictions to endowment | - | 13,770 | 13,770 | - |
| Net asset transfer | - | 172,520 | 172,520 | (45,000) |
| Endowment net assets - | | | | |
| June 30, | \$ - | \$ 847,162 | \$ 847,162 | \$ 496,238 |

NOTE 13: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

AMIkids, Inc. financial assets available within one year of the statement of financial position date for general expenditures are as follows:

| As of June 30, | 2021 |
|---|----------------------|
| Cash and cash equivalents | \$ 22,615,185 |
| Investments | 6,166,110 |
| Accounts receivable | 4,939,492 |
| Boat lease payments | 21,614,992 |
| Beneficial Interest in Assets Held By Others | 1,275,948 |
| Total | 56,611,727 |
| Less: Amounts unavailable for general expenditures within one year, due to: | |
| Restricted by donors | (5,190,547) |
| Boat lease payments | (16,942,682) |
| Deferred revenue | (383,422) |
| Collateral for insurance reserves | (4,811,422) |
| Financial assets available within one year to meet cash needs for general expenditures within one year | \$ 29,283,654 |

AMIkids, Inc. prepares an annual budget that is approved by the Board of Trustees for the upcoming year. The annual budget includes projected revenue based on current grants, contracts and contributions. Internally prepared financial statements comparing budget to actual results are reviewed by management on a monthly basis and cash flow is monitored daily.

AMIkids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 13: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

Generally AMIkids, Inc. will have advance notice of grants and contracts terminating and will manage the reductions in cash flow by reducing expenditures and where necessary, by reducing staffing levels.

As part of AMIkids, Inc.'s liquidity management, financial assets are structured to be available as general expenditures, liabilities and other obligations come due. In addition, AMIkids, Inc. invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, AMIkids, Inc. has committed lines of credit in the amount of \$11,000,000, which it could draw upon.

NOTE 14: CASUALTY GAIN

The Organization recorded a casualty gain resulting from Hurricane Michael. The Organization filed an insurance claim and recorded approximately \$284,000 and \$450,000 in insurance proceeds for the years ended June 30, 2021 and 2020, respectively, which is recorded in Revenue, Other in the combined statement of activities; no remediation costs for the years ended June 30, 2021 and 2020 were incurred.

NOTE 15: CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash with a financial institution in excess of the FDIC limit of \$250,000 by approximately \$7,025,000 and \$1,061,000 at June 30, 2021 and 2020, respectively.

NOTE 16: COMMITMENTS AND CONTINGENCIES

A substantial portion of AMIkids' public support is derived from programs supported by various funding agencies. Under the terms of the agreements with the funding agencies, AMIkids' financial records are subject to audit by the appropriate governmental authorities. Depending on the results of these audits, if any, funds may be required to be refunded to the appropriate agency.

AMIkids is subject to various claims and legal proceedings which arise in the ordinary course of business. AMIkids does not believe that these matters will have a material adverse effect on its financial position or results of operations.

AMIkids, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 16: COMMITMENTS AND CONTINGENCIES (Continued)

AMIkids leases facilities under operating leases expiring in various years. Rent expense on these operating leases charged to operations for the years ended June 30, 2021 and 2020 was approximately \$481,000 and \$580,000, respectively. Based on the current operating leases, the annual lease expense is expected to increase in 2022 due to the full year of operations of AMIkids New Mexico as well as the expansion of the Sandoval program and is expected to remain consistent over the following four years. Typically there are no operating leases with terms greater than five years.

AMIkids receives donations of boats that are recorded at fair value less estimated selling expenses at the time of the donation. Management has estimated the net realizable value of the boat inventory at \$2,396,566 and \$9,196,614 at June 30, 2021 and 2020, respectively. Net realizable value is estimated based on third party appraisals, broker valuations, management's experience with the boat charter industry and estimated selling expenses are based on management's historical experiences with brokers. The actual net realizable value of the boats is not known until the boat is sold or leased.

AMIkids has purchased high-deductible policies for workers compensation and for vehicle and other property and casualty insurance and is responsible for all claims below the deductible level. Management has accrued approximately \$4,299,000 and \$3,312,000 at June 30, 2021 and 2020, respectively as an estimate of losses on unpaid claims under these insurance policies. These accruals are estimated based on current and historical claims experience. It is reasonably possible that these estimates will change and, if changed, could have a material impact on the Organization's financial position and results of operations. Under AMIkids' workers compensation and vehicle policies, the Organization has \$4,811,422 held in a secured collateralized account to support these policies.

AMIkids is self-funded for group health insurance up to a maximum of \$175,000 per employee. Management has accrued \$500,000 at June 30, 2021 and 2020, for estimated claims, including known claims and claims which are estimated to have occurred but which have not yet been reported. This estimate is based on current and historical claims experience and other information obtained from AMIkids' insurance provider. It is reasonably possible that these estimates will change and, if changed, could have a material impact on the Organization's financial position and results of operations. Adjustments to the estimated claims accrual are made when the need for such adjustments becomes apparent.

AMIkids, Inc. and Affiliates

Notes to Combined Financial Statements

NOTE 17: RETIREMENT PLANS

AMIkids maintains a noncontributory defined contribution pension plan covering all full-time employees who have completed two years of service and have attained the age of 20 ½ years. Contributions to the Plan are based on a percentage of each employee's total compensation for the year. The pension expense for the years ended June 30, 2021 and 2020 was approximately \$1,644,000 and \$1,657,000, respectively, and is included in employee benefits and payroll taxes on the combined statement of functional expenses.

AMIkids has a deferred compensation plan in place for certain key members of management, which is accrued for and included in accrued pension in the combined statement of financial position. The deferred compensation plan is generally funded on an annual basis and the related assets are included as a component of investments. The cost related to the deferred compensation plan for the years ended June 30, 2021 and 2020 was approximately \$223,900 and \$139,900, respectively.

NOTE 18: RELATED PARTY TRANSACTIONS

There were no related party transactions significant to the combined financial statements. AMIkids has rigorous controls concerning related party transactions to ensure that all transactions are in the best interest of the mission. Details of related party transactions can be found in Form 990s which AMIkids files annually with the Internal Revenue Service.

NOTE 19: INSTITUTE OPENINGS AND PROGRAMMATIC MODEL CHANGES

During the year, AMIkids opened AMIkids Gateways, Inc. and AMIkids New Mexico, Inc. AMIkids Gateways is an intensive residential facility serving young men ages 12 to 21 years old. AMIkids New Mexico has partnered with Bernalillo County to expand Behavioral Health Continuum by providing FFT to youth in Bernalillo County. In addition, the AMIkids Sandoval program has expanded to include a 12-bed RTC in Farmington, NM to provide psychotherapeutic residential rehabilitative care in a group living setting for youth with severe behavioral, psychological, or emotional problems. During 2021, AMIkids Sandoval also opened Albuquerque Transitional Living to provide transitional and independent living opportunities and supportive services for eligible youth in foster care and eligible adults transitioning to adulthood.

AMIkids Tallahassee re-opened in 2021 under a Florida Department of Juvenile Justice contract shared with AMIkids Gadsden to provide prevention and intervention services to 32 youths.



SUPPLEMENTARY INFORMATION



AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position
June 30, 2021

| | AMIkids | AMIkids Foundation | AMIkids Acadiana | AMIkids Alabama | AMIkids Baton Rouge | AMIkids Beaufort | AMIkids Behavior Health | AMIkids Bennettsville | AMIkids Caddo | AMIkids Clay County |
|--|----------------------|-----------------------|---------------------|--------------------|------------------------|---------------------|----------------------------|--------------------------|-------------------|------------------------|
| Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 5,058,939 | \$ 8,668,092 | \$ 278,304 | \$ 72,368 | \$ 201,648 | \$ 258,313 | \$ 30,034.00 | \$ 104,552 | \$ 112,594 | \$ 343,440 |
| Investments | 3,706,065 | 1,937,010 | - | - | 52,197 | - | - | - | - | - |
| Accounts receivable: | | | | | | | | | | |
| Funding agencies | 2,390,637 | - | - | - | 29,445 | 21,801 | - | 2,518 | 23,492 | 17,971 |
| Other | 214,953 | - | 1,103 | - | 125 | 294 | 52 | - | 452 | 600 |
| Contributions receivable | 2,500 | 2,500 | - | - | - | - | - | - | - | 600 |
| Prepaid expenses and other assets | 1,439,458 | - | 12,288 | 1,819 | 10,295 | 12,365 | 3,468 | 5,668 | 4,830 | 2,329 |
| Due from affiliates | 22,544,693 | 40,000 | 128,380 | 6,379 | 54,368 | 131,919 | 85,746 | 115,104 | - | 65,578 |
| Assets held for sale | - | - | - | - | - | - | - | - | - | - |
| Boat inventory | 2,379,453 | - | - | - | - | 6,858 | - | - | - | - |
| Boats under lease | 27,206,537 | - | - | - | - | - | - | - | - | - |
| Beneficial interest in assets held by others | - | 496,534 | - | - | - | - | - | - | - | - |
| Property and equipment, net | 2,807,744 | - | 16,404 | 337 | 320,705 | 636,346 | 2,952 | 46,302 | 19,777 | 103,999 |
| Total assets | \$ 67,750,979 | \$ 11,144,136 | \$ 436,479 | \$ 80,903 | \$ 668,783 | \$ 1,067,896 | \$ 122,252 | \$ 274,144 | \$ 161,145 | \$ 534,517 |
| Liabilities and Net Assets | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Lines of credit | \$ 4,750,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | 340,335 | - | 19,658 | 665 | 2,905 | 1,978 | 5,500 | 4,121 | - | 1,082 |
| Accrued expenses | 11,147,747 | 2,828 | 33,759 | 4,875 | 20,188 | 52,180 | 28,175 | 41,940 | 23,054 | 48,728 |
| Accrued pension | 2,338,417 | - | - | - | 433 | 1,187 | 478 | 954 | - | - |
| Due to Affiliates | 3,127,534 | 5,474,601 | 1,624,498 | 4,045 | 430,769 | 37,496 | 14,506 | 1,153,860 | 371,551 | 458,358 |
| Deferred revenues | 5,218,962 | 659,126 | 316,518 | 24,647 | - | - | - | - | - | 25,028 |
| Security deposits | 6,189,375 | - | - | - | - | - | - | - | - | - |
| Obligations under capital lease | - | - | - | - | 1,313 | 353 | - | - | 20,512 | 95,954 |
| Notes payable | 2,454,614 | - | 9,453 | - | - | - | - | - | - | - |
| Total liabilities | 35,566,984 | 6,136,555 | 2,003,886 | 34,232 | 455,608 | 93,194 | 48,659 | 1,200,875 | 415,117 | 629,150 |
| Net assets: | | | | | | | | | | |
| Without donor restrictions | | | | | | | | | | |
| Undesignated | 31,956,025 | 1,128,286 | (1,590,916) | 46,671 | 122,246 | 941,864 | 67,257 | (926,931) | (257,981) | (98,233) |
| With donor restrictions | 227,970 | 3,879,295 | 23,509 | - | 90,929 | 32,838 | 6,336 | 200 | 4,009 | 3,600 |
| Total net assets | 32,183,995 | 5,007,581 | (1,567,407) | 46,671 | 213,175 | 974,702 | 73,593 | (926,731) | (253,972) | (94,633) |
| Total liabilities and net assets | \$ 67,750,979 | \$ 11,144,136 | \$ 436,479 | \$ 80,903 | \$ 668,783 | \$ 1,067,896 | \$ 122,252 | \$ 274,144 | \$ 161,145 | \$ 534,517 |

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position (Continued)
June 30, 2021

| | AMIkids Duval | AMIkids Emerald Coast | AMIkids Family Services | AMIkids Gadsden Center for Academic Discipline | AMIkids Gainesville | AMIkids Gateways | AMIkids Georgetown | AMIkids Georgia | AMIkids Georgia Properties | AMIkids Greater Ft. Lauderdale |
|--|-------------------|--------------------------|----------------------------|---|------------------------|---------------------|-----------------------|--------------------|----------------------------------|--------------------------------------|
| Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 15,920 | \$ 37,962 | \$ 33,170 | \$ 251,423 | \$ 46,555 | \$ 94,873 | \$ 7,838 | \$ - | \$ - | \$ 239,645 |
| Investments | - | - | - | - | - | - | - | - | - | - |
| Accounts receivable: | | | | | | | | | | |
| Funding agencies | 138,730 | - | - | - | 17,149 | - | 10,700 | - | - | 40,138 |
| Other | 344 | 8,111 | - | - | 857 | 1,500 | 3,885 | - | - | 1,270 |
| Contributions receivable | - | - | - | - | - | - | - | - | - | 12,818 |
| Prepaid expenses and other assets | 1,309 | 872 | 1,393 | 5,899 | 14,016 | 3,545 | 3,118 | - | - | 7,667 |
| Due from affiliates | - | - | 39,420 | 50,767 | 89,076 | 93,536 | 196,186 | 17,189 | - | 89,758 |
| Assets held for sale | - | - | - | - | 63,626 | - | - | - | - | - |
| Boat inventory | - | - | - | - | - | - | - | - | - | 1,845 |
| Boats under lease | - | - | - | - | - | - | - | - | - | - |
| Beneficial interest in assets held by others | - | - | - | - | - | - | - | - | - | - |
| Property and equipment, net | - | 361 | - | 17,328 | 54,238 | 66,309 | 283,863 | - | 1,991,691 | 121,700 |
| Total assets | \$ 156,303 | \$ 47,306 | \$ 73,983 | \$ 325,417 | \$ 285,517 | \$ 259,763 | \$ 505,590 | \$ 17,189 | \$ 1,991,691 | \$ 514,841 |
| Liabilities and Net Assets | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Lines of credit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | - | - | 557 | 208 | 2,754 | - | 14,007 | - | - | 8,919 |
| Accrued expenses | 9,020 | 6,044 | 13,582 | 13,216 | 22,005 | 24,740 | 26,840 | - | 928 | 47,688 |
| Accrued pension | - | - | - | - | - | 948 | - | - | - | - |
| Due to Affiliates | 220,825 | 702,941 | 11,449 | 13,039 | 1,272,750 | 87,375 | 45,822 | - | 301,140 | 561,473 |
| Deferred revenues | - | - | 27,282 | 56,816 | 175,402 | - | - | - | - | 51,716 |
| Security deposits | - | - | - | - | - | - | - | - | - | - |
| Obligations under capital lease | - | - | - | 18,039 | 54,991 | 44,495 | - | - | - | 55,921 |
| Notes payable | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | 229,845 | 708,985 | 52,870 | 101,318 | 1,527,902 | 157,558 | 86,669 | - | 302,068 | 725,717 |
| Net assets: | | | | | | | | | | |
| Without donor restrictions | | | | | | | | | | |
| Undesignated | (73,542) | (694,855) | 21,113 | 224,099 | (1,249,864) | 102,205 | 406,904 | 17,189 | 1,689,623 | (378,231) |
| With donor restrictions | - | 33,176 | - | - | 7,479 | - | 12,017 | - | - | 167,355 |
| Total net assets | (73,542) | (661,679) | 21,113 | 224,099 | (1,242,385) | 102,205 | 418,921 | 17,189 | 1,689,623 | (210,876) |
| Total liabilities and net assets | \$ 156,303 | \$ 47,306 | \$ 73,983 | \$ 325,417 | \$ 285,517 | \$ 259,763 | \$ 505,590 | \$ 17,189 | \$ 1,991,691 | \$ 514,841 |

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position (Continued)
June 30, 2021

| | AMIkids Infinity Marlboro | AMIkids Infinity Wake County | AMIkids Jacksonville | AMIkids Louisiana Properties | AMIkids Manatee | AMIkids Miami-Dade | AMIkids New Mexico | AMIkids New Mexico Properties | AMIkids North Carolina Family Services | AMIkids North Carolina Properties |
|--|------------------------------|------------------------------------|-------------------------|------------------------------------|--------------------|-----------------------|-----------------------|-------------------------------------|--|---|
| Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 105,193 | \$ 59,926 | \$ 155,727 | \$ - | \$ 606,917 | \$ 190,291 | \$ 27,216 | \$ - | \$ 483,163 | \$ - |
| Investments | - | - | - | - | - | - | - | - | - | - |
| Accounts receivable: | | | | | | | | | | |
| Funding agencies | 37,500 | 106,965 | - | - | 19,777 | 77,514 | - | - | - | - |
| Other | - | - | 100 | - | 4 | 24,207 | - | - | - | - |
| Contributions receivable | - | - | 74,710 | - | 2,750 | - | - | - | - | - |
| Prepaid expenses and other assets | 2,079 | 8,727 | 12,186 | - | 5,383 | 12,211 | 3,486 | - | 22,162 | - |
| Due from affiliates | 6,777 | - | 103,074 | 775,042 | 56,244 | 688,613 | 18,232 | 807,629 | 1,915,021 | - |
| Assets held for sale | - | - | - | - | - | - | - | - | - | - |
| Boat inventory | - | - | - | - | - | - | - | - | - | - |
| Boats under lease | - | - | - | - | - | - | - | - | - | - |
| Beneficial interest in assets held by others | - | - | - | - | 103,115 | - | - | - | - | - |
| Property and equipment, net | - | - | 639,069 | 865,840 | 35,534 | 48,526 | - | - | 5,371 | 312,000 |
| Total assets | \$ 151,549 | \$ 175,618 | \$ 984,866 | \$ 1,640,882 | \$ 829,724 | \$ 1,041,362 | \$ 48,934 | \$ 807,629 | \$ 2,425,717 | \$ 312,000 |
| Liabilities and Net Assets | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Lines of credit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | 358 | 156 | 2,413 | - | 176 | 9,294 | 499 | - | 2,704 | - |
| Accrued expenses | 11,372 | 9,656 | 28,297 | 928 | 21,028 | 54,993 | 7,642 | 928 | 65,216 | 928 |
| Accrued pension | 169 | - | - | - | 662 | - | - | - | 2,035 | - |
| Due to Affiliates | 13,518 | 81,960 | 408,166 | - | 18,139 | 70,157 | 46,939 | - | 52,234 | 310,674 |
| Deferred revenues | - | - | 141 | - | 26,839 | 73,025 | - | - | - | 2,826 |
| Security deposits | - | - | - | - | - | - | - | - | - | - |
| Obligations under capital lease | - | - | 52,488 | - | - | 25,997 | - | - | - | - |
| Notes payable | - | - | 407,820 | - | - | - | - | - | - | - |
| Total liabilities | 25,417 | 91,772 | 899,325 | 928 | 66,844 | 233,466 | 55,080 | 928 | 122,189 | 314,428 |
| Net assets: | | | | | | | | | | |
| Without donor restrictions | | | | | | | | | | |
| Undesignated | 121,655 | 79,844 | (141,347) | 1,639,954 | 757,180 | 568,111 | (6,146) | 806,701 | 2,303,528 | (2,428) |
| With donor restrictions | 4,477 | 4,002 | 226,888 | - | 5,700 | 239,785 | - | - | - | - |
| Total net assets | 126,132 | 83,846 | 85,541 | 1,639,954 | 762,880 | 807,896 | (6,146) | 806,701 | 2,303,528 | (2,428) |
| Total liabilities and net assets | \$ 151,549 | \$ 175,618 | \$ 984,866 | \$ 1,640,882 | \$ 829,724 | \$ 1,041,362 | \$ 48,934 | \$ 807,629 | \$ 2,425,717 | \$ 312,000 |

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position (Continued)
June 30, 2021

| | AMIkids Orlando | AMIkids Panama City Marine Institute | AMIkids Pasco | AMIkids Pensacola | AMIkids Piedmont | AMIkids Pinellas | AMIkids Rio Grande Valley | AMIkids Sand Hills | AMIkids Sandoval | AMIkids Sarasota County |
|--|--------------------|--|------------------|----------------------|---------------------|---------------------|---------------------------------|-----------------------|---------------------|----------------------------|
| Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 243,289 | \$ 643,492 | \$ - | \$ 408,174 | \$ 293,390 | \$ 1,116,061 | \$ 101,400 | \$ 47,307 | \$ 277,649 | \$ - |
| Investments | - | - | - | - | - | - | - | - | - | - |
| Accounts receivable: | | | | | | | | | | |
| Funding agencies | 19,864 | - | - | 97,981 | 6,090 | - | 12,066 | 3,114 | - | - |
| Other | 675 | 144,006 | - | 642 | 4,015 | - | 2,456 | 2,341 | 270,570 | - |
| Contributions receivable | - | - | - | - | - | - | - | - | - | - |
| Prepaid expenses and other assets | 6,594 | 48,156 | - | 10,406 | 7,496 | 19,504 | 12,272 | 5,399 | 172,620 | - |
| Due from affiliates | 101,511 | 277,323 | 29,145 | 176,238 | 181,316 | 22,658 | 73,036 | 110,996 | 101,302 | 73,818 |
| Assets held for sale | - | - | - | - | - | - | - | - | - | - |
| Boat inventory | - | 8,010 | - | - | - | 400 | - | - | - | - |
| Boats under lease | - | - | - | - | - | - | - | - | - | - |
| Beneficial interest in assets held by others | - | - | - | - | - | - | - | - | - | - |
| Property and equipment, net | 80,992 | 2,710,056 | - | 327,844 | 96,708 | 1,491 | 26,111 | 51,772 | 283,067 | - |
| Total assets | \$ 452,925 | \$ 3,831,043 | \$ 29,145 | \$ 1,021,285 | \$ 589,015 | \$ 1,160,114 | \$ 227,341 | \$ 220,929 | \$ 1,105,208 | \$ 73,818 |
| Liabilities and Net Assets | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Lines of credit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | 7,204 | 1,816 | - | 12,103 | 1,632 | 182 | 976 | 3,858 | 9,942 | - |
| Accrued expenses | 29,984 | 39,917 | - | 80,098 | 51,299 | 15,381 | 20,082 | 30,103 | 82,706 | - |
| Accrued pension | - | 988 | - | 1,547 | 1,003 | 259 | - | - | - | - |
| Due to Affiliates | 347,729 | 15,070 | - | 167,360 | 33,339 | 13,990 | 3,238,571 | 907,986 | 5,380,153 | - |
| Deferred revenues | 127,188 | - | - | 43,425 | - | - | 101,600 | - | - | - |
| Security deposits | - | - | - | - | - | - | - | - | - | - |
| Obligations under capital lease | 16,090 | - | - | 39,623 | 39,326 | - | 19,418 | 20,431 | 116,866 | - |
| Notes payable | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | 528,195 | 57,791 | - | 344,156 | 126,599 | 29,812 | 3,380,647 | 962,378 | 5,589,667 | - |
| Net assets: | | | | | | | | | | |
| Without donor restrictions | | | | | | | | | | |
| Undesignated | (170,358) | 3,677,048 | - | 627,498 | 454,789 | 1,127,750 | (3,265,778) | (741,449) | (4,487,392) | 73,818 |
| With donor restrictions | 95,088 | 96,204 | 29,145 | 49,631 | 7,627 | 2,552 | 112,472 | - | 2,933 | - |
| Total net assets | (75,270) | 3,773,252 | 29,145 | 677,129 | 462,416 | 1,130,302 | (3,153,306) | (741,449) | (4,484,459) | 73,818 |
| Total liabilities and net assets | \$ 452,925 | \$ 3,831,043 | \$ 29,145 | \$ 1,021,285 | \$ 589,015 | \$ 1,160,114 | \$ 227,341 | \$ 220,929 | \$ 1,105,208 | \$ 73,818 |

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| | AMIkids Savannah River | AMIkids South Carolina Statewide | AMIkids Southwest Florida | AMIkids Space Coast | AMIkids St. Louis | AMIkids Tallahassee | AMIkids Tampa | AMIkids Virginia | AMIkids Virginia Wilderness | AMIkids Volusia |
|--|---------------------------|--|---------------------------------|------------------------|----------------------|------------------------|-------------------|---------------------|-----------------------------------|--------------------|
| Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 31,282 | \$ - | \$ 26,887 | \$ 92,276 | \$ - | \$ 144,805 | \$ 275,096 | \$ 249,575 | \$ - | \$ 92,027 |
| Investments | - | - | - | - | - | - | - | - | - | - |
| Accounts receivable: | | | | | | | | | | |
| Funding agencies | 116,819 | - | - | 110,615 | - | - | 29,969 | 778,367 | - | - |
| Other | 780 | - | - | 3,593 | - | - | 146 | - | - | 1,321 |
| Contributions receivable | - | - | - | - | - | - | - | - | - | - |
| Prepaid expenses and other assets | 3,892 | - | 3,776 | 12,556 | - | 3,634 | 5,557 | 4,644 | 580 | 15,851 |
| Due from affiliates | - | 1,064 | 34,429 | 167,088 | - | 35,992 | 110,675 | 226,248 | - | 84,845 |
| Assets held for sale | - | - | - | - | - | - | - | - | 120,000 | - |
| Boat inventory | - | - | - | - | - | - | - | - | - | - |
| Boats under lease | - | - | - | - | - | - | - | - | - | - |
| Beneficial interest in assets held by others | - | - | 676,299 | - | - | - | - | - | - | - |
| Property and equipment, net | 16,136 | - | 49,577 | 368,660 | - | 106,239 | 180,004 | - | - | 34,179 |
| Total assets | \$ 168,909 | \$ 1,064 | \$ 790,968 | \$ 754,788 | \$ - | \$ 290,670 | \$ 601,447 | \$ 1,258,834 | \$ 120,580 | \$ 228,223 |
| Liabilities and Net Assets | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Lines of credit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | 4,709 | - | 85 | 34,001 | - | 592 | 3,673 | 778,367 | - | 2,488 |
| Accrued expenses | 29,420 | - | 10,054 | 42,879 | - | 4,406 | 24,101 | 24,571 | 100 | 21,671 |
| Accrued pension | - | - | 208 | 362 | - | - | - | 336 | - | - |
| Due to Affiliates | 1,795,945 | - | 161,960 | 50,862 | - | 322,687 | 121,807 | 13,105 | 247,231 | 536,506 |
| Deferred revenues | - | - | 4,610 | - | - | 121,327 | 72,377 | - | - | 99,380 |
| Security deposits | - | - | - | - | - | - | - | - | - | - |
| Obligations under capital lease | - | - | 759 | - | - | - | 5,013 | - | - | 35,615 |
| Notes payable | - | - | - | - | - | - | 10,117 | - | - | - |
| Total liabilities | 1,830,074 | - | 177,676 | 128,104 | - | 449,012 | 237,088 | 816,379 | 247,331 | 695,660 |
| Net assets: | | | | | | | | | | |
| Without donor restrictions | | | | | | | | | | |
| Undesignated | (1,664,265) | (1) | 533,919 | 569,596 | (21,829) | (160,392) | 327,940 | 442,455 | (126,751) | (470,668) |
| With donor restrictions | 3,100 | 1,065 | 79,373 | 57,088 | 21,829 | 2,050 | 36,419 | - | - | 3,231 |
| Total net assets | (1,661,165) | 1,064 | 613,292 | 626,684 | - | (158,342) | 364,359 | 442,455 | (126,751) | (467,437) |
| Total liabilities and net assets | \$ 168,909 | \$ 1,064 | \$ 790,968 | \$ 754,788 | \$ - | \$ 290,670 | \$ 601,447 | \$ 1,258,834 | \$ 120,580 | \$ 228,223 |

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule I
Combining Schedule - Statement of Financial Position (Continued)
June 30, 2021

| | AMIkids White Pines | AMIkids Wings Texas | AMIkids YES | South Carolina Wilderness Institute | Total Before Eliminations | Eliminations | Total |
|--|------------------------|------------------------|---------------------|---|---------------------------------|------------------------|----------------------|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 418,549 | \$ - | \$ 669,823 | \$ - | \$ 22,615,185 | \$ - | \$ 22,615,185 |
| Investments | - | - | 470,838 | - | 6,166,110 | - | 6,166,110 |
| Accounts receivable: | | | | | | | |
| Funding agencies | 9,375 | - | 14,441 | - | 4,133,038 | - | 4,133,038 |
| Other | 2,531 | - | 3,081 | - | 694,014 | 112,440 | 806,454 |
| Contributions receivable | - | - | - | - | 95,878 | - | 95,878 |
| Prepaid expenses and other assets | 8,636 | - | 11,871 | - | 1,950,017 | - | 1,950,017 |
| Due from affiliates | 242,667 | - | 180,408 | - | 30,349,490 | (30,349,490) | - |
| Assets held for sale | - | - | - | - | 183,626 | - | 183,626 |
| Boat inventory | - | - | - | - | 2,396,566 | - | 2,396,566 |
| Boats under lease | - | - | - | - | 27,206,537 | - | 27,206,537 |
| Beneficial interest in assets held by others | - | - | - | - | 1,275,948 | - | 1,275,948 |
| Property and equipment, net | 36,885 | - | 46,452 | 103,000 | 12,915,569 | - | 12,915,569 |
| Total assets | \$ 718,643 | \$ - | \$ 1,396,914 | \$ 103,000 | \$ 109,981,978 | \$ (30,237,050) | \$ 79,744,928 |
| Liabilities and Net Assets | | | | | | | |
| Liabilities: | | | | | | | |
| Lines of credit | \$ - | \$ - | \$ - | \$ - | \$ 4,750,000 | \$ - | \$ 4,750,000 |
| Accounts payable | 6,040 | - | 8,505 | - | 1,294,462 | (2,059) | 1,292,403 |
| Accrued expenses | 95,075 | - | 79,865 | 928 | 12,451,165 | (4,446,901) | 8,004,264 |
| Accrued pension | 2,099 | - | 1,793 | - | 2,353,878 | - | 2,353,878 |
| Due to Affiliates | 22,430 | - | 46,520 | 8,163 | 30,347,233 | (30,347,233) | - |
| Deferred revenues | 1,180 | - | 484,862 | - | 7,714,277 | 140,440 | 7,854,717 |
| Security deposits | - | - | - | - | 6,189,375 | - | 6,189,375 |
| Obligations under capital lease | - | - | 10,524 | - | 673,728 | - | 673,728 |
| Notes payable | - | - | - | - | 2,882,004 | - | 2,882,004 |
| Total liabilities | 126,824 | - | 632,069 | 9,091 | 68,656,122 | (34,655,753) | 34,000,369 |
| Net assets: | | | | | | | |
| Without donor restrictions | | | | | | | |
| Undesignated | 589,212 | - | 716,845 | 93,909 | 35,705,877 | 4,848,135 | 40,554,012 |
| With donor restrictions | 2,607 | - | 48,000 | - | 5,619,979 | (429,432) | 5,190,547 |
| Total net assets | 591,819 | - | 764,845 | 93,909 | 41,325,856 | 4,418,703 | 45,744,559 |
| Total liabilities and net assets | \$ 718,643 | \$ - | \$ 1,396,914 | \$ 103,000 | \$ 109,981,978 | \$ (30,237,050) | \$ 79,744,928 |

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities
Year ended June 30, 2021

| | AMIkids | AMIkids Foundation | AMIkids Acadiana | AMIkids Alabama | AMIkids Baton Rouge | AMIkids Beaufort | AMIkids Behavior Health | AMIkids Bennettsville | AMIkids Caddo | AMIkids Clay County |
|--|----------------------|-----------------------|-----------------------|------------------|------------------------|---------------------|----------------------------|--------------------------|---------------------|------------------------|
| Public Support and revenue: | | | | | | | | | | |
| State support: | | | | | | | | | | |
| Florida | \$ 1,853,886 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 708,872 |
| South Carolina | 1,684,656 | - | - | - | - | 1,313,121 | - | 1,375,712 | - | - |
| Virginia | 105,438 | - | - | - | - | - | - | - | - | - |
| North Carolina | 287,758 | - | - | - | - | - | - | - | - | - |
| Louisiana | 255,717 | - | 1,420,470 | - | 454,789 | - | - | - | - | - |
| Georgia | - | - | - | - | - | - | - | - | - | - |
| New Mexico | 23,128 | - | - | - | - | - | - | - | - | - |
| Alabama | 13,722 | - | - | 123,494 | - | - | - | - | - | - |
| Texas | 10,259 | - | - | - | - | - | - | - | - | - |
| Missouri | - | - | - | - | - | - | - | - | - | - |
| Federal support | 687,123 | - | 383,816 | 44,712 | 417,868 | 480,633 | 288 | 39,683 | 51,470 | 35,000 |
| Regional Revenue | 18,659 | - | 135,158 | - | - | - | 852,729 | - | 1,575,059 | 310,604 |
| Contributions | 718,583 | 3,170,881 | 26,512 | 87 | 65,524 | 258,966 | 1,975 | 83,563 | 26,403 | 29,276 |
| Total Public Support | 5,658,929 | 3,170,881 | 1,965,956 | 168,293 | 938,181 | 2,052,720 | 854,992 | 1,498,958 | 1,652,932 | 1,083,752 |
| Revenue | | | | | | | | | | |
| Boat Program | 21,304,523 | - | - | - | - | - | - | - | - | - |
| Investment income (loss) | 700,446 | 336,916 | 4 | - | 666 | 222 | 1 | - | - | - |
| Other | 1,824,036 | - | - | - | 10,000 | - | 183,516 | 156 | 65 | 723 |
| Total revenue | 23,829,005 | 336,916 | 4 | - | 10,666 | 222 | 183,517 | 156 | 65 | 723 |
| Total public support and revenue | 29,487,934 | 3,507,797 | 1,965,960 | 168,293 | 948,847 | 2,052,942 | 1,038,509 | 1,499,114 | 1,652,997 | 1,084,475 |
| Expenses: | | | | | | | | | | |
| Program Services | 4,302,444 | 1,204,647 | 2,201,280 | 189,600 | 839,508 | 1,757,643 | 992,628 | 1,398,646 | 1,647,198 | 934,145 |
| Boat Program | 15,861,818 | - | - | - | - | - | - | - | - | - |
| Management and general | 4,513,193 | 9,313 | 36,936 | 6,267 | 24,167 | 39,190 | 10,756 | 34,387 | 113,354 | 21,654 |
| Fundraising | 318,416 | - | - | - | - | - | - | - | - | 17 |
| Total expense | 24,995,871 | 1,213,960 | 2,238,216 | 195,867 | 863,675 | 1,796,833 | 1,003,384 | 1,433,033 | 1,760,552 | 955,816 |
| Change in Net assets | 4,492,063 | 2,293,837 | (272,256) | (27,574) | 85,172 | 256,109 | 35,125 | 66,081 | (107,555) | 128,659 |
| Net assets (deficit), beginning of the year | 27,691,932 | 2,713,744 | (1,295,151) | 74,245 | 128,003 | 718,593 | 38,468 | (92,812) | (146,417) | (223,292) |
| Net assets (deficit), end of the year | \$ 32,183,995 | \$ 5,007,581 | \$ (1,567,407) | \$ 46,671 | \$ 213,175 | \$ 974,702 | \$ 73,593 | \$ (92,731) | \$ (253,972) | \$ (94,633) |

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2021

| | AMIkids Duval | AMIkids Emerald Coast | AMIkids Family Services | AMIkids Gadsden Center for Academic Discipline | AMIkids Gainesville | AMIkids Gateways | AMIkids Georgetown | AMIkids Georgia | AMIkids Georgia Properties | AMIkids Greater Ft. Lauderdale |
|--|--------------------|--------------------------|----------------------------|---|------------------------|---------------------|-----------------------|--------------------|----------------------------------|--------------------------------------|
| Public Support and revenue: | | | | | | | | | | |
| State support: | | | | | | | | | | |
| Florida | \$ - | \$ - | \$ 270,000 | \$ 528,281 | \$ 784,397 | \$ - | \$ - | \$ - | \$ - | \$ 815,900 |
| South Carolina | - | - | - | - | - | 305,785 | 1,278,864 | - | - | - |
| Virginia | - | - | - | - | - | - | - | - | - | - |
| North Carolina | - | - | - | - | - | - | - | - | - | - |
| Louisiana | - | - | - | - | - | - | - | - | - | - |
| Georgia | - | - | - | - | - | - | - | - | - | - |
| New Mexico | - | - | - | - | - | - | - | - | - | - |
| Alabama | - | - | - | - | - | - | - | - | - | - |
| Texas | - | - | - | - | - | - | - | - | - | - |
| Missouri | - | - | - | - | - | - | - | - | - | - |
| Federal support | - | - | - | - | 13,284 | - | 65,354 | - | - | 15,923 |
| Regional Revenue | 554,919 | 87,993 | - | 3,360 | 121,603 | - | - | - | - | 285,201 |
| Contributions | 8,155 | 132,337 | 39,141 | 252 | 28,698 | 20 | 29,051 | - | - | 109,551 |
| Total Public Support | 563,074 | 220,330 | 309,141 | 531,893 | 947,982 | 305,805 | 1,373,269 | - | - | 1,226,575 |
| Revenue | | | | | | | | | | |
| Boat Program | - | - | - | - | - | - | - | - | - | - |
| Investment income (loss) | - | - | - | - | 83 | - | (19) | - | - | 36 |
| Other | 835 | - | - | - | - | - | 2,152 | - | - | 5,750 |
| Total revenue | 835 | - | - | - | 83 | - | 2,133 | - | - | 5,786 |
| Total public support and revenue | 563,909 | 220,330 | 309,141 | 531,893 | 948,065 | 305,805 | 1,375,402 | - | - | 1,232,361 |
| Expenses: | | | | | | | | | | |
| Program Services | 563,538 | 256,330 | 306,968 | 514,843 | 960,562 | 183,802 | 1,418,346 | - | 93,841 | 1,140,935 |
| Boat Program | - | - | - | - | - | - | - | - | - | - |
| Management and general | 45,949 | 3,498 | 10,624 | 13,041 | 23,575 | 19,798 | 30,522 | - | 1,592 | 23,709 |
| Fundraising | - | - | - | - | - | - | - | - | - | - |
| Total expense | 609,487 | 259,828 | 317,592 | 527,884 | 984,137 | 203,600 | 1,448,868 | - | 95,433 | 1,164,644 |
| Change in Net assets | (45,578) | (39,498) | (8,451) | 4,009 | (36,072) | 102,205 | (73,466) | - | (95,433) | 67,717 |
| Net assets (deficit), beginning of the year | (27,964) | (622,181) | 29,564 | 220,090 | (1,206,313) | - | 492,387 | 17,189 | 1,785,056 | (278,593) |
| Net assets (deficit), end of the year | \$ (73,542) | \$ (661,679) | \$ 21,113 | \$ 224,099 | \$ (1,242,385) | \$ 102,205 | \$ 418,921 | \$ 17,189 | \$ 1,689,623 | \$ (210,876) |

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2021

| | AMIkids Infinity Marlboro | AMIkids Infinity Wake County | AMIkids Jacksonville | AMIkids Louisiana Properties | AMIkids Manatee | AMIkids Miami-Dade | AMIkids New Mexico | AMIkids New Mexico Properties | AMIkids North Carolina Family Services | AMIkids North Carolina Properties |
|---|------------------------------|------------------------------------|-------------------------|------------------------------------|--------------------|-----------------------|-----------------------|-------------------------------------|--|---|
| Public Support and revenue: | | | | | | | | | | |
| State support: | | | | | | | | | | |
| Florida | \$ - | \$ - | \$ 854,414 | \$ - | \$ 556,558 | \$ 1,719,225 | \$ - | \$ - | \$ - | \$ - |
| South Carolina | - | - | - | - | - | - | - | - | - | - |
| Virginia | - | - | - | - | - | - | - | - | - | - |
| North Carolina | - | - | - | - | - | - | - | - | 2,589,820 | - |
| Louisiana | - | - | - | - | - | - | - | - | - | - |
| Georgia | - | - | - | - | - | - | - | - | - | - |
| New Mexico | - | - | - | - | - | - | - | - | - | - |
| Alabama | - | - | - | - | - | - | - | - | - | - |
| Texas | - | - | - | - | - | - | - | - | - | - |
| Missouri | - | - | - | - | - | - | - | - | - | - |
| Federal support | - | - | 14,941 | - | 25,287 | 169,218 | - | - | - | - |
| Regional Revenue | 450,000 | 427,860 | 164,300 | - | 368,337 | 261,619 | 124,611 | - | - | - |
| Contributions | 1,199 | 2,332 | 133,438 | - | 46,535 | 255,920 | - | - | 2,144 | - |
| Total Public Support | 451,199 | 430,192 | 1,167,093 | - | 996,717 | 2,405,982 | 124,611 | - | 2,591,964 | - |
| Revenue | | | | | | | | | | |
| Boat Program | - | - | - | - | - | - | - | - | - | - |
| Investment income (loss) | 2 | - | 19 | 12,073 | 22,943 | (85) | - | 19,738 | (341) | - |
| Other | - | - | 429 | 140,000 | - | 541 | - | - | 5,230 | 14,129 |
| Total revenue | 2 | - | 448 | 152,073 | 22,943 | 456 | - | 19,738 | 4,889 | 14,129 |
| Total public support and revenue | 451,201 | 430,192 | 1,167,541 | 152,073 | 1,019,660 | 2,406,438 | 124,611 | 19,738 | 2,596,853 | 14,129 |
| Expenses: | | | | | | | | | | |
| Program Services | 408,392 | 410,461 | 1,227,616 | 94,914 | 846,475 | 2,365,233 | 124,628 | - | 2,009,106 | 14,292 |
| Boat Program | - | - | - | - | - | - | - | - | - | - |
| Management and general | 30,345 | 28,164 | 31,114 | 1,239 | 33,142 | 48,185 | 6,129 | 1,228 | 19,651 | 2,265 |
| Fundraising | - | - | - | - | - | - | - | - | - | - |
| Total expense | 438,737 | 438,625 | 1,258,730 | 96,153 | 879,617 | 2,413,418 | 130,757 | 1,228 | 2,028,757 | 16,557 |
| Change in Net assets | 12,464 | (8,433) | (91,189) | 55,920 | 140,043 | (6,980) | (6,146) | 18,510 | 568,096 | (2,428) |
| Net assets (deficit), beginning of the year | 113,668 | 92,279 | 176,730 | 1,584,034 | 622,837 | 814,876 | - | 788,191 | 1,735,432 | - |
| Net assets (deficit), end of the year | \$ 126,132 | \$ 83,846 | \$ 85,541 | \$ 1,639,954 | \$ 762,880 | \$ 807,896 | \$ (6,146) | \$ 806,701 | \$ 2,303,528 | \$ (2,428) |

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2021

| | AMIkids Orlando | AMIkids Panama City Marine Institute | AMIkids Pasco | AMIkids Pensacola | AMIkids Piedmont | AMIkids Pinellas | AMIkids Rio Grande Valley | AMIkids Sand Hills | AMIkids Sandoval | AMIkids Sarasota County |
|--|--------------------|--|------------------|----------------------|---------------------|---------------------|------------------------------|-----------------------|-----------------------|----------------------------|
| Public Support and revenue: | | | | | | | | | | |
| State support: | | | | | | | | | | |
| Florida | \$ 851,701 | \$ - | \$ - | \$ 1,744,388 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| South Carolina | - | - | - | - | 1,363,794 | - | - | 1,330,688 | - | - |
| Virginia | - | - | - | - | - | - | - | - | - | - |
| North Carolina | - | - | - | - | - | - | - | - | - | - |
| Louisiana | - | - | - | - | - | - | - | - | - | - |
| Georgia | - | - | - | - | - | - | - | - | - | - |
| New Mexico | - | - | - | - | - | - | - | - | 154,185 | - |
| Alabama | - | - | - | - | - | - | - | - | - | - |
| Texas | - | - | - | - | - | - | 58,132 | - | - | - |
| Missouri | - | - | - | - | - | - | - | - | - | - |
| Federal support | 2,218 | 837,686 | - | 664,007 | 22,787 | 282,115 | 149,105 | 46,205 | 1,898,222 | - |
| Regional Revenue | 267,985 | 144,006 | - | 123,575 | - | - | 275,115 | - | 4,295 | - |
| Contributions | 154,275 | 331,031 | - | 47,977 | 71,567 | 103,545 | 81,291 | 130,848 | 6,646 | - |
| Total Public Support | 1,276,179 | 1,312,723 | - | 2,579,947 | 1,458,148 | 385,660 | 563,643 | 1,507,741 | 2,063,348 | - |
| Revenue | | | | | | | | | | |
| Boat Program | - | - | - | - | - | - | - | - | - | - |
| Investment income (loss) | 34 | 23 | - | 31 | 18 | - | 7 | - | 5,790 | (18) |
| Other | 400 | 1,087,222 | - | 51,471 | 19,103 | 347,925 | 57 | 4,116 | - | - |
| Total revenue | 434 | 1,087,245 | - | 51,502 | 19,121 | 347,925 | 64 | 4,116 | 5,790 | (18) |
| Total public support and revenue | 1,276,613 | 2,399,968 | - | 2,631,449 | 1,477,269 | 733,585 | 563,707 | 1,511,857 | 2,069,138 | (18) |
| Expenses: | | | | | | | | | | |
| Program Services | 1,064,365 | 1,075,343 | - | 2,168,724 | 1,350,581 | 477,405 | 875,251 | 1,507,572 | 2,430,448 | - |
| Boat Program | - | - | - | - | - | - | - | - | - | - |
| Management and general | 42,900 | 43,581 | - | 47,767 | 42,983 | 22,475 | 38,669 | 47,345 | 182,335 | 70 |
| Fundraising | - | - | - | - | - | - | - | - | - | - |
| Total expense | 1,107,265 | 1,118,924 | - | 2,216,491 | 1,393,564 | 499,880 | 913,920 | 1,554,917 | 2,612,783 | 70 |
| Change in Net assets | 169,348 | 1,281,044 | - | 414,958 | 83,705 | 233,705 | (350,213) | (43,060) | (543,645) | (88) |
| Net assets (deficit), beginning of the year | (244,618) | 2,492,208 | 29,145 | 262,171 | 378,711 | 896,597 | (2,803,093) | (698,389) | (3,940,814) | 73,906 |
| Net assets (deficit), end of the year | \$ (75,270) | \$ 3,773,252 | \$ 29,145 | \$ 677,129 | \$ 462,416 | \$ 1,130,302 | \$ (3,153,306) | \$ (741,449) | \$ (4,484,459) | \$ 73,818 |

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2021

| | AMIkids Savannah River | AMIkids South Carolina Statewide | AMIkids Southwest Florida | AMIkids Space Coast | AMIkids St. Louis | AMIkids Tallahassee | AMIkids Tampa | AMIkids Virginia | AMIkids Virginia Wilderness | AMIkids Volusia |
|---|---------------------------|--|------------------------------|------------------------|----------------------|------------------------|------------------|---------------------|-----------------------------------|--------------------|
| Public Support and revenue: | | | | | | | | | | |
| State support: | | | | | | | | | | |
| Florida | \$ - | \$ - | \$ - | \$ 1,911,610 | \$ - | \$ - | \$ 680,531 | \$ - | \$ - | \$ 821,401 |
| South Carolina | - | - | - | - | - | - | - | - | - | - |
| Virginia | - | - | - | - | - | - | - | 6,170,828 | - | - |
| North Carolina | - | - | - | - | - | - | - | - | - | - |
| Louisiana | - | - | - | - | - | - | - | - | - | - |
| Georgia | 1,402,232 | - | - | - | - | - | - | - | - | - |
| New Mexico | - | - | - | - | - | - | - | - | - | - |
| Alabama | - | - | - | - | - | - | - | - | - | - |
| Texas | - | - | - | - | - | - | - | - | - | - |
| Missouri | - | - | - | - | - | - | - | - | - | - |
| Federal support | 183,157 | - | 199,040 | 485,224 | - | 733 | 233,264 | - | - | 4,716 |
| Regional Revenue | - | - | - | 283,967 | - | 22,003 | 317,393 | - | - | 163,752 |
| Contributions | 39,195 | - | 36,885 | 100,905 | - | 111,678 | 336,445 | 864 | - | 11,721 |
| Total Public Support | 1,624,584 | - | 235,925 | 2,781,706 | - | 134,414 | 1,567,633 | 6,171,692 | - | 1,001,590 |
| Revenue | | | | | | | | | | |
| Boat Program | - | - | - | - | - | - | - | - | - | - |
| Investment income (loss) | - | 52 | 109,831 | (58) | - | - | 109 | (42) | 2 | - |
| Other | 3,000 | - | 12,500 | 111 | 16,844 | - | 26,747 | - | - | 4,257 |
| Total revenue | 3,000 | 52 | 122,331 | 53 | 16,844 | - | 26,856 | (42) | 2 | 4,257 |
| Total public support and revenue | 1,627,584 | 52 | 358,256 | 2,781,759 | 16,844 | 134,414 | 1,594,489 | 6,171,650 | 2 | 1,005,847 |
| Expenses: | | | | | | | | | | |
| Program Services | 1,745,878 | - | 322,969 | 2,593,637 | 700 | 152,463 | 1,296,159 | 6,044,252 | 27,615 | 1,015,685 |
| Boat Program | - | - | - | - | - | - | - | - | - | - |
| Management and general | 123,740 | 1 | 15,433 | 48,452 | (15) | 9,624 | 39,252 | 36,952 | 377 | 25,368 |
| Fundraising | - | - | - | - | - | - | - | - | - | - |
| Total expense | 1,869,618 | 1 | 338,402 | 2,642,089 | 685 | 162,087 | 1,335,411 | 6,081,204 | 27,992 | 1,041,053 |
| Change in Net assets | (242,034) | 51 | 19,854 | 139,670 | 16,159 | (27,673) | 259,078 | 90,446 | (27,990) | (35,206) |
| Net assets (deficit), beginning of the year | (1,419,131) | 1,013 | 593,438 | 487,014 | (16,159) | (130,669) | 105,281 | 352,009 | (98,761) | (432,231) |
| Net assets (deficit), end of the year | \$ (1,661,165) | \$ 1,064 | \$ 613,292 | \$ 626,684 | \$ - | \$ (158,342) | \$ 364,359 | \$ 442,455 | \$ (126,751) | \$ (467,437) |

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule II
Combining Schedule - Statement of Activities (Continued)
Year ended June 30, 2021

| | AMIkids White Pines | AMIkids Wings Texas | AMIkids YES | South Carolina Wilderness Institute | Total Before Eliminations | Eliminations | Total |
|---|------------------------|------------------------|------------------|---|---------------------------------|--------------------|-------------------|
| Public Support and revenue: | | | | | | | |
| State support: | | | | | | | |
| Florida | \$ - | \$ - | \$ 1,852,618 | \$ - | \$ 15,953,782 | \$ - | \$ 15,953,782 |
| South Carolina | 2,727,649 | - | - | - | 11,380,269 | - | 11,380,269 |
| Virginia | - | - | - | - | 6,276,266 | - | 6,276,266 |
| North Carolina | - | - | - | - | 2,877,578 | - | 2,877,578 |
| Louisiana | - | - | - | - | 2,130,976 | - | 2,130,976 |
| Georgia | - | - | - | - | 1,402,232 | - | 1,402,232 |
| New Mexico | - | - | - | - | 177,313 | - | 177,313 |
| Alabama | - | - | - | - | 137,216 | - | 137,216 |
| Texas | - | - | - | - | 68,391 | - | 68,391 |
| Missouri | - | - | - | - | - | - | - |
| Federal support | 47,133 | - | 474,686 | - | 7,974,898 | - | 7,974,898 |
| Regional Revenue | - | - | 291,562 | - | 7,635,665 | (852,729) | 6,782,936 |
| Contributions | 220,775 | - | 62,726 | - | 7,018,917 | (1,392,435) | 5,626,482 |
| Total Public Support | 2,995,557 | - | 2,681,592 | - | 63,033,503 | (2,245,164) | 60,788,339 |
| Revenue | | | | | | | |
| Boat Program | - | - | - | - | 21,304,523 | - | 21,304,523 |
| Investment income (loss) | - | - | 153,959 | - | 1,362,442 | (615,716) | 746,726 |
| Other | 4,867 | - | - | - | 3,766,182 | (2,057,643) | 1,708,539 |
| Total revenue | 4,867 | - | 153,959 | - | 26,433,147 | (2,673,359) | 23,759,788 |
| Total public support and revenue | 3,000,424 | - | 2,835,551 | - | 89,466,650 | (4,918,523) | 84,548,127 |
| Expenses: | | | | | | | |
| Program Services | 2,496,485 | 100 | 2,574,363 | - | 57,628,016 | (4,563,716) | 53,064,300 |
| Boat Program | - | - | - | - | 15,861,818 | - | 15,861,818 |
| Management and general | 57,434 | - | 66,697 | 925 | 6,075,352 | (400,749) | 5,674,603 |
| Fundraising | - | - | - | - | 318,433 | - | 318,433 |
| Total expense | 2,553,919 | 100 | 2,641,060 | 925 | 79,883,619 | (4,964,465) | 74,919,154 |
| Change in Net assets | 446,505 | (100) | 194,491 | (925) | 9,583,031 | 45,942 | 9,628,973 |
| Net assets (deficit), beginning of the year | 145,314 | 100 | 570,354 | 94,834 | 31,742,825 | 4,372,761 | 36,115,586 |
| Net assets (deficit), end of the year | \$ 591,819 | \$ - | \$ 764,845 | \$ 93,909 | \$ 41,325,856 | \$ 4,418,703 | \$ 45,744,559 |

See Independent Auditors' Report.

AMIkids, Inc. and Affiliates
Schedule of Compensation, Benefits and Other Payments to Agency Head
Or Chief Executive Officer
Year ended June 30, 2021

Agency Head Name: Mike Thornton

| Purpose | June 30, 2021 |
|---------------------|----------------------|
| Salary | \$ 325,899 |
| Benefits-Insurance | 11,612 |
| Benefits-retirement | 78,000 |
| Reimbursements | 2,483 |
| Travel | 2,117 |
| Total | \$ 420,111 |

See Independent Auditors' Report.



INTERNAL CONTROL RECOMMENDATIONS



**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**

To the Board of Trustees
AMIKids, Inc.
Tampa, 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 the AMIKids, Inc. and Affiliates (“the Organization”), which comprise the consolidated 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 October 20, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

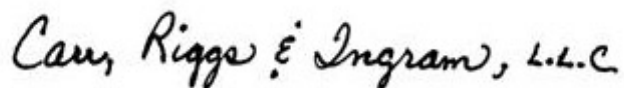
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity'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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

CARR, RIGGS, & INGRAM, LLC

Tampa, Florida
October 20, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Trustees
AMIKids, Inc.
Tampa, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the AMIKids, Inc. and Affiliates's ("the Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement* that could have direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2021. The Organization'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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state projects 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, *Florida Single Audit Act Audits – Nonprofit and For-Profit Organizations*. Those standards, Uniform Guidance and Chapter 10.650, 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 the Organization'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 and state project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Opinion on Each Major State Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

The Organization's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
October 20, 2021

AMIkids, Inc. and Affiliates

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2021

| Grantor/Pass-Through Grantor/Program Title | CFDA CSFA Number | Pass-Through Grant Number | (Note 1) Amount of Expenditures | Amount Provided To Subrecipients |
|---|------------------------|---------------------------------------|---------------------------------------|--|
| FEDERAL AWARDS | | | | |
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| Indirect Programs: | | | | |
| Child Nutrition Cluster | | | | |
| Passed thru Florida Department of Agriculture National School Lunch Program (Note 2) | 10.555 | 01-0233 | \$ 126,484 | |
| Passed thru Louisiana Department of Education National School Lunch Program (Note 2) | 10.555 | 09-SFS-007 | 52,169 | |
| Passed thru New Mexico Public Education Department National School Lunch Program (Note 2) | 10.555 | 11008 | 27,835 | |
| Passed thru Texas Department of Agriculture National School Lunch Program (Note 2) | 10.555 | 01198 | 12,828 | |
| Passed thru South Carolina Department of Education National School Lunch Program (Note 2) | 10.555 | 5697, 5699, 5713, 5714, 5715, 5716 | 241,430 | |
| Total CFDA 10.555 - National School Lunch Program | | | 460,746 | - |
| Total Child Nutrition Cluster | | | 460,746 | - |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | 460,746 | - |
| U.S. DEPARTMENT OF EDUCATION | | | | |
| Indirect Programs: | | | | |
| Passed thru Louisiana Dept. of Education Title I Grants to Local Educational Agencies Passed thru Caddo Parish | 84.010 | - | 51,470 | |
| Total CFDA 84.010 - Title I Grants to Local Educational Agencies | | | 51,470 | - |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | 51,470 | - |
| U.S. DEPARTMENT OF LABOR | | | | |
| Direct Programs: | | | | |
| Reentry Employment Opportunities | 17.270 | YF-33606-19-60-A-12 | 1,372,116 | |
| Total CFDA 17.270 - Reentry Employment Opportunities | | | 1,372,116 | - |
| Youthbuild | 17.274 | YB-32999-18-60-A-22 | 355,116 | |
| Youthbuild | 17.274 | YB-34255-19-60-A-45 | 252,276 | |
| Total CFDA 17.274 - Youthbuild | | | 607,392 | - |
| Youth Apprentice Readiness Program | 17.258 | AP-35086-20-60-A-12 | 347,041 | |
| Total CFDA 17.258 - Youth Apprentice Readiness Program | | | 347,041 | - |
| TOTAL U.S. DEPARTMENT OF LABOR | | | 2,326,549 | - |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Indirect Programs: | | | | |
| Passed thru Florida Dept. of Children and Families Passed thru Big Bend Community Based Care Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED) | 93.104 | DAJ07 | 221,139 | |
| Total CFDA 93.104 - Comprehensive Community Mental Health Services for Children with SED | | | 221,139 | - |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | 221,139 | - |

AMIkids, Inc. and Affiliates

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2021

| Grantor/Pass-Through Grantor/Program Title | CFDA CSFA Number | Pass-Through Grant Number | (Note 1) Amount of Expenditures | Amount Provided To Subrecipients |
|---|------------------------|---------------------------------|---------------------------------------|--|
| CORPORATION FOR NATIONAL AND COMMUNITY SERVICES | | | | |
| Indirect Programs: | | | | |
| Passed thru Volunteer Florida AmeriCorps | 94.006 | 1980215206 | 182,602 | |
| Total CFDA 94.006 - AmeriCorps | | | 182,602 | - |
| TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICES | | | 182,602 | - |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | |
| Indirect Programs: | | | | |
| CDBG - Entitlement Grants Cluster | | | | |
| Passed thru Brevard County Community Development Block Grants/Entitlement Grants | 14.218 | N/A | 5,308 | |
| Total CFDA 14.218 - Community Development Block Grants/Entitlement Grants | | | 5,308 | - |
| Total CDBG Entitlement Grants Cluster | | | 5,308 | - |
| TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | 5,308 | - |
| U.S DEPARTMENT OF THE TREASURY | | | | |
| Indirect Programs: | | | | |
| Passed thru Bay County Board of County Commissioners Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States | | | | |
| | 21.015 | RDCGR30040-01-00 | 184,500 | |
| Total CFDA 21.015 - Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States | | | 184,500 | - |
| Passed thru United Way of Northwest Florida COVID-19 Coronavirus Relief Fund | | | | |
| | 21.019 | | 45,125 | |
| Passed thru Clay County COVID-19 Coronavirus Relief Fund | | | | |
| | 21.019 | | 35,000 | |
| Passed thru Hillsborough County COVID-19 Coronavirus Relief Fund | | | | |
| | 21.019 | | 56,877 | |
| Passed thru Manatee County COVID-19 Coronavirus Relief Fund | | | | |
| | 21.019 | | 23,275 | |
| Total CFDA 21.019 - COVID-19 Coronavirus Relief Fund | | | 160,277 | - |
| TOTAL U.S. DEPARTMENT OF THE TREASURY | | | 344,777 | - |
| U.S. DEPARTMENT OF JUSTICE | | | | |
| Indirect Programs: | | | | |
| Passed thru State of South Carolina Department of Public Safety COVID-19 Coronavirus Emergency Supplemental Funding Program | | | | |
| | 16.034 | 1CF20096 | 19,441 | |
| Total CFDA 16.034 - COVID-19 Coronavirus Emergency Supplemental Funding Program | | | 19,441 | - |
| TOTAL U.S. DEPARTMENT OF JUSTICE | | | 19,441 | - |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 3,612,032 | - |

AMIkids, Inc. and Affiliates

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2021

| Grantor/Pass-Through Grantor/Program Title | CFDA CSFA Number | Pass-Through Grant Number | (Note 1) Amount of Expenditures | Amount Provided To Subrecipients |
|--|------------------------|---------------------------------|---------------------------------------|--|
| STATE FINANCIAL ASSISTANCE - FLORIDA | | | | |
| FLORIDA DEPARTMENT OF EDUCATION | | | | |
| Direct Projects: | | | | |
| School and Instructional Enhancement Programs | 48.040 | 93Q-97495-DQ001 | \$ 1,238,003 | |
| Total CSFA 48.040 - School and Instructional Enhancement Programs | | | 1,238,003 | - |
| AMIkids Academic Enrichment Program | 48.175 | 93Q-97495-1Q002 | 99,920 | |
| Total CSFA 48.175 AMIkids Academic Enrichment Program | | | 99,920 | - |
| TOTAL FLORIDA DEPARTMENT OF EDUCATION | | | 1,337,923 | - |
| FLORIDA DEPARTMENT OF JUVENILE JUSTICE | | | | |
| Direct Projects: | | | | |
| Delinquency Prevention | | | | |
| Clay - CFPG | 80.029 | 10521 | 730,958 | |
| Gadsden - 700 Gender Specific | 80.029 | 10552 | 598,279 | |
| Tampa - 725 - Gender Specific | 80.029 | 10520 | 705,912 | |
| Manatee - 725 - Gender Specific | 80.029 | 10394 | 558,519 | |
| Family Centric | 80.029 | 10610 | 300,000 | |
| Total CSFA 80.029 - Delinquency Prevention | | | 2,893,668 | - |
| Day Treatment Programs - Facility Based | 80.021 | 10573 | 5,790,723 | |
| Total CSFA 80.021 - Day Treatment Programs - Facility Based | | | 5,790,723 | - |
| TOTAL FLORIDA DEPARTMENT OF JUVENILE JUSTICE | | | 8,684,391 | - |
| FLORIDA DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES | | | | |
| Direct Projects: | | | | |
| Horse Country Specialty License Plate | 76.104 | N/A | 398,550 | |
| TOTAL FLORIDA DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES | | | 398,550 | - |
| TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE - FLORIDA | | | \$ 10,420,864 | - |

AMIkids, Inc. and Affiliates
Notes to Schedule of Expenditures of Federal Awards and
State Financial Assistance

NOTE 1: BASIS OF PRESENTATION

The schedule of expenditures of federal awards and state financial assistance represents amounts expended from federal award programs and state projects during the fiscal year as determined on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *Florida Department of Financial Services' State Projects Compliance Supplement*. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the Organization's accounting records from which the basic financial statements have been reported. Federal and State funds that are not subject to Uniform Guidance, or Florida Single Audit are not included on this schedule.

The Organization has elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance for the year ended June 30, 2021.

The Organizations' federal awards do not have any loans or loan guarantees.

NOTE 2: NONCASH ASSISTANCE FOR NATIONAL SCHOOL LUNCH

Food donations from the United States Department of Agriculture represent the amount of donated food consumed during the fiscal year. Commodities totaling \$3,063 were valued at fair value at the time of donation and included in the reported expenditures.

AMikids, Inc. and Affiliates
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | None |

Federal Awards:

- | 1. Type of auditors’ report issued on compliance for major programs | Unmodified | | | | | | |
|--|-----------------------------------|---------|--------|----------------------------------|--------|-----------------------------------|--|
| 2. Internal control over major programs: | | | | | | | |
| a. Material weaknesses identified? | None | | | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes | | | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | Yes | | | | | | |
| 4. Identification of major programs: | | | | | | | |
| <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CFDA Number</th> <th style="text-align: center; border-bottom: 1px solid black;">Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">21.019</td> <td style="text-align: center;">COVID-19 Coronavirus Relief Fund</td> </tr> <tr> <td style="text-align: center;">17.270</td> <td style="text-align: center;">Re-Entry Employment Opportunities</td> </tr> </tbody> </table> | CFDA Number | Program | 21.019 | COVID-19 Coronavirus Relief Fund | 17.270 | Re-Entry Employment Opportunities | |
| CFDA Number | Program | | | | | | |
| 21.019 | COVID-19 Coronavirus Relief Fund | | | | | | |
| 17.270 | Re-Entry Employment Opportunities | | | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 | | | | | | |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | No | | | | | | |

State Projects:

- | 1. Type of auditors’ report issued on compliance for major programs | Unmodified | | | | | | |
|---|---|---------|--------|---|--------|---|--|
| 2. Internal control over major programs: | | | | | | | |
| a. Material weaknesses identified? | None | | | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted | | | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with Rule 10.554(1)(l)(4)? | None | | | | | | |
| 3. Identification of major programs: | | | | | | | |
| <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CSFA Number</th> <th style="text-align: center; border-bottom: 1px solid black;">Project</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">48.040</td> <td style="text-align: center;">Student and Instructional Enhancement Program</td> </tr> <tr> <td style="text-align: center;">80.021</td> <td style="text-align: center;">Day Treatment Programs – Facility Based</td> </tr> </tbody> </table> | CSFA Number | Project | 48.040 | Student and Instructional Enhancement Program | 80.021 | Day Treatment Programs – Facility Based | |
| CSFA Number | Project | | | | | | |
| 48.040 | Student and Instructional Enhancement Program | | | | | | |
| 80.021 | Day Treatment Programs – Facility Based | | | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 | | | | | | |

AMIkids, Inc. and Affiliates
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – FEDERAL AWARD FINDINGS

Finding Number: 2021-001, Significant Deficiency

CFDA # 21.019:

Federal Program: COVID-19 Coronavirus Relief Fund

Awarding Agency: U.S. Department of Treasury

Passed through: United Way of Northwest Florida

Contract Number and Year: 2021

Compliance Requirement: Reporting

Questioned Costs: N/A

Criteria: 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition: Review of required reporting submitted was not documented.

Cause: The Coronavirus Relief Fund is a new federal program. Regulations changed quickly and Program staff met in person to discuss the report to be filed but did not document these discussions.

Effect: Reports may contain inaccurate information or errors and may not be submitted timely in accordance with the program requirements.

Recommendation: The Organization should strengthen its process surrounding review and approval of reporting under federal programs.

Response: Management concurs with the finding.

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior year findings.

Finding 2021-001 Corrective Action Plan

Finding 2021-001 - Review and approval of reporting submitted to the United Way of Northwest Florida for funding under the CRF program was not documented.

CONTACT PERSON: Devon Simon, Controller, AMIkids, Inc.

CORRECTIVE ACTION

The United Way of Northwest Florida required that the reporting be done online using an electronic portal. This requirement was complied with however, the review and approval process of the information that was entered online was not documented. At the time of this report, the Organization had no active funding under this program.

To prevent this from reoccurring, the Organization's Fiscal Management Manual for Federal Awards will be updated to specifically include the following:

1. For reports that are submitted electronically and/or through a portal, a screen shot and/or printout of the electronic submission must be made.
2. The prints and/or screen shots must be reviewed and signed by the Executive Director or acting Program Lead.
3. These records must be kept pursuant to the terms of the agreement and federal requirements.

The Fiscal Management Manual for Federal Awards will be updated by November 30, 2021 and the change will be communicated to all Program Executive Directors and/or Program Leads.



Maria Porto-Duarte, CFO

October 19, 2021

Date