The Florida Center For Early Childhood, Inc.

FINANCIAL STATEMENTS

June 30, 2021 and 2020

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REPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Florida Center for Early Childhood, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Florida Center for Early Childhood, Inc. (a nonprofit organization), (Center), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free from material misstatement.

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

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

Opinion

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

Report on Summarized Comparative Information

We have previously audited The Florida Center for Early Childhood, Inc.'s 2020 financial statements, and our report dated November 30, 2020, expressed an unmodified opinion on those audited financial statements. 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 financial statements from which it has been derived.

Other Matters

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2022, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Bradenton, Florida
March 24, 2022

FINANCIAL STATEMENTS

The Florida Center For Early Childhood, Inc.
Statements of Financial Position

June 30,			**2021**	2020
Assets	Without Donor Restriction	With Donor Restriction	**Total**	Summarized Comparative Total
Current assets				
Cash and Cash Equivalents	$ 764,416	$ 340,888	**$ 1,105,304**	$ 1,282,865
Investments	894,969	-	**894,969**	727,797
Receivables:				
Grant Receivables	479,618	-	**479,618**	485,566
Contract Receivables	20,336	-	**20,336**	27,482
Patient accounts receivable, net	90,513	-	**90,513**	30,413
Prepaid expenses	12,811	-	**12,811**	538
Total current assets	2,262,663	340,888	**2,603,551**	2,554,661
Other Assets				
Security deposit	3,252	-	**3,252**	3,186
Property and equipment, net	113,185	-	**113,185**	102,755
Total assets	$ 2,379,100	$ 340,888	**$ 2,719,988**	$ 2,660,602
Liabilities				
Current Liabilities				
Accounts payable	$ 107,300	$ -	**$ 107,300**	$ 138,926
Accrued payroll and benefits	305,432	-	**305,432**	295,385
Refundable advances	30,000	331,785	**361,785**	484,630
Notes payable, current portion	40,209	-	**40,209**	38,348
Line of credit	-	-	**-**	-
Total current liabilities	482,941	331,785	**814,726**	957,289
Other Liabilities				
Notes payable, long term	68,216	-	**68,216**	108,460
Total liabilities	551,157	331,785	**882,942**	1,065,749
Net assets				
Without donor restrictions	1,827,943	-	**1,827,943**	1,510,224
With donor restrictions	-	9,103	**9,103**	84,629
Total net assets	1,827,943	9,103	**1,837,046**	1,594,853
Total liabilities and net assets	$ 2,379,100	$ 340,888	**$ 2,719,988**	$ 2,660,602

The Florida Center For Early Childhood, Inc.
Statements of Activities

For the year ended June 30,			**2021**	2020
	Without Donor Restrictions	With Donor Restrictions	**Total**	Summarized Comparative Total
Revenues, gains and other support:				
Governmental grants	$ 4,465,777	$ -	**$ 4,465,777**	$ 4,162,637
Private contracts	342,231	-	**342,231**	429,829
Private grants	811,306	-	**811,306**	1,023,242
Patient service revenue, net	1,096,369	-	**1,096,369**	906,951
In-kind donations	603,910	-	**603,910**	603,910
PPP loan revenue	373,808	-	**373,808**	**110,092**
Contributions	193,671	-	**193,671**	181,225
Training Institute	36,813	-	**36,813**	16,863
Rental	96,021	-	**96,021**	98,810
Miscellaneous income	6,557	-	**6,557**	466
Special events, net of expenses of $23,408	59,345	-	**59,345**	77,601
Investment return, net	167,172	-	**167,172**	25,796
Net assets released from restrictions	75,526	(75,526)	-	-
Total revenues, gains and other support	8,328,506	(75,526)	**8,252,980**	7,637,422
Expenses:				
Program services				
Healthy Families	2,347,417	-	**2,347,417**	2,409,735
Starfish Academy	984,567	-	**984,567**	1,006,861
Early Intervention Services	1,172,355	-	**1,172,355**	1,149,611
Mental Health Services	2,543,285	-	**2,543,285**	2,033,916
Fetal Alcohol Diagnosis Clinic	336,112	-	**336,112**	351,878
Supporting services				
Management and General	431,237	-	**431,237**	438,496
Development and Fundraising	195,814	-	**195,814**	203,002
Total expenses	8,010,787	-	**8,010,787**	7,593,499
Changes in net assets	317,719	(75,526)	**242,193**	43,923
Net assets, beginning of year	1,510,224	84,629	**1,594,853**	1,550,930
Net assets, end of year	$ 1,827,943	$ 9,103	**$ 1,837,046**	$ 1,594,853

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

The Florida Center For Early Childhood, Inc.
Statement of Functional Expenses

For the year ended June 30, 2021

	Program Services						Supporting Services			
	Healthy Families	Starfish Academy	Early Intervention Services	Mental Health Services	Fetal Alcohol Diagnosis Clinic	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 1,358,887	$ 527,297	$ 733,570	$ 1,713,629	$ 148,274	$ 4,481,657	$ 578,242	$ 135,386	$ 713,628	$ 5,195,285
Fringe benefits	203,406	78,377	106,768	169,907	12,334	570,792	36,580	7,342	43,922	614,714
Payroll taxes and fees	117,539	39,986	64,858	153,190	13,558	389,131	35,546	12,671	48,217	437,348
Total compensation and benefits	1,679,832	645,660	905,196	2,036,726	174,166	5,441,580	650,368	155,399	805,767	6,247,347
Equipment rental & maintenance	13,691	6,780	4,968	4,820	2,640	32,899	13,210	1,933	15,143	48,042
Insurance	27,598	7,391	9,424	13,463	5,385	63,261	3,366	1,346	4,712	67,973
Supplies	88,967	8,608	9,857	17,689	8,910	134,031	38,206	3,887	42,093	176,124
Facility	75,239	70,901	25,382	25,873	6,106	203,501	35,001	152	35,153	238,654
Professional services	11,779	7,200	16,776	43,813	83,298	162,866	58,687	1,770	60,457	223,323
Bank charges and fees	-	2,021	-	-	14	2,035	14,439	1,027	15,466	17,501
Telephone	35,580	8,334	9,751	18,108	1,164	72,937	6,933	1,433	8,366	81,303
Postage and shipping	1,613	1,853	1,224	822	288	5,800	552	902	1,454	7,254
Travel	12,989	4,291	10,333	1,122	91	28,826	3,546	113	3,659	32,485
Training and education	27,076	539	2,624	20,691	5,499	56,429	20,079	2,327	22,406	78,835
Client assistance	13,524	219	576	-	-	14,319	3,000	-	3,000	17,319
Dues, licenses and fees	11,050	5,688	12,089	46,658	3,711	79,196	24,825	10,988	35,813	115,009
Marketing and public relations	-	1,811	1,250	-	200	3,261	4,434	10,937	15,371	18,632
In-kind rent	129,610	126,600	65,400	64,320	22,320	408,250	184,560	3,600	188,160	596,410
In-kind donations	7,500	-	-	-	-	7,500	-	-	-	7,500
Depreciation	-	-	-	-	-	-	37,076	-	37,076	37,076
Total other expenses	456,216	252,236	169,654	257,379	139,626	1,275,111	447,914	40,415	488,329	1,763,440
Administration allocation	211,369	86,671	97,505	249,180	22,320	667,045	(667,045)	-	(667,045)	-
Total expenses	$ 2,347,417	$ 984,567	$ 1,172,355	$ 2,543,285	$ 336,112	$ 7,383,736	$ 431,237	$ 195,814	$ 627,051	$ 8,010,787

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

For the year ended June 30, 2020

	Program Services						Supporting Services			
	Healthy Families	Starfish Academy	Early Intervention Services	Mental Health Services	Fetal Alcohol Diagnosis Clinic	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 1,358,130	$ 566,016	$ 749,772	$ 1,336,316	$ 168,743	$ 4,178,977	$ 497,817	$ 134,315	$ 632,132	$ 4,811,109
Fringe benefits	207,362	98,603	103,423	157,391	16,791	583,570	43,938	5,468	49,406	632,976
Payroll taxes and fees	126,641	50,464	63,287	126,664	15,950	383,006	40,378	12,202	52,580	435,586
Total compensation and benefits	1,692,133	715,083	916,482	1,620,371	201,484	5,145,553	582,133	151,985	734,118	5,879,671
Equipment rental & maint	10,070	6,570	3,642	4,741	1,555	26,578	6,448	1,414	7,862	34,440
Insurance	25,806	6,954	8,812	12,588	5,035	59,195	3,147	1,259	4,406	63,601
Supplies	72,733	13,519	4,620	12,893	6,882	110,647	14,076	7,188	21,264	131,911
Facility	72,878	42,227	21,302	21,941	5,626	163,974	95,930	-	95,930	259,904
Professional services	-	-	802	3,075	69,964	73,841	62,867	290	63,157	136,998
Bank charges and fees	-	3,133	-	-	-	3,133	23,472	829	24,301	27,434
Telephone	36,332	7,023	8,966	16,003	1,034	69,358	6,759	1,695	8,454	77,812
Postage and shipping	1,569	1,443	1,015	726	498	5,251	1,494	1,012	2,506	7,757
Travel	81,639	1,053	14,642	8,902	1,210	107,446	20,247	138	20,385	127,831
Training and education	17,508	644	294	5,370	3,586	27,402	7,791	2,002	9,793	37,195
Client assistance	37,855	-	875	-	-	38,730	149	-	149	38,879
Dues, licenses and fees	11,633	3,041	14,577	46,854	4,057	80,162	16,786	5,216	22,002	102,164
Marketing and public relations	1,100	1,187	-	575	6,307	9,169	800	16,576	17,376	26,545
In-kind Rent	129,610	126,600	65,400	64,320	22,320	408,250	184,560	3,600	188,160	596,410
In-kind donations	7,500	-	-	-	-	7,500		-	-	7,500
Depreciation	-	-	-	-	-	-	37,447	-	37,447	37,447
Total other expenses	506,233	213,394	144,947	197,988	128,074	1,190,636	481,973	41,219	523,192	1,713,828
Administration allocation	211,369	78,384	88,182	215,557	22,320	615,812	(625,610)	9,798	(615,812)	-
Total expenses	$ 2,409,735	$ 1,006,861	$ 1,149,611	$ 2,033,916	$ 351,878	$ 6,952,001	$ 438,496	$ 203,002	$ 641,498	$ 7,593,499

The Florida Center For Early Childhood, Inc.
Statements of Cash Flows

For the years ended June 30,		**2021**		2020
Cash flows from operating activities:				
Change in net assets	**$**	**242,193**	$	43,923
Adjustment to reconcile change in net assets				
to net cash provided (used) by operations:				
Depreciation		**37,076**		37,447
Bad debt expense		**80,494**		46,588
Loss on disposal of assets		**6,347**		-
Unrealized loss (gain) on investments		**(163,535)**		(17,310)
Increase(decrease) in operating assets and liabilities:				
Contracts and grants receivable		**13,094**		150,866
Patient accounts receivable		**(140,594)**		33,301
Prepaid expense		**(12,273)**		6,323
Security deposit		**(66)**		-
Accounts payable		**(31,626)**		54,020
Accrued payroll and benefits		**10,047**		(15,564)
Refundable advances		**(122,845)**		406,837
Cash flows provided (used) by operating activities		**(81,688)**		746,431
Cash flows from investing activities:				
Proceeds from sale of investments		**-**		130,000
Purchase of investments		**(3,637)**		(8,486)
Purchase of property and equipment		**(53,853)**		-
Gain on sale of property and equipment		**(57,490)**		**121,514**
Cash flows provided (used) by investing activities		**(57,490)**		121,514
Cash flows from financing activities:				
Proceeds on notes payable		**-**		142,766
Payments on notes payable		**(38,383)**		(13,141)
Net payments on line of credit		**-**		(156,000)
Cash flows used by financing activities		**(38,383)**		(26,375)
Net increase (decrease) in cash		**(177,561)**		841,570
Cash and cash equivalents, beginning		**1,282,865**		441,295
Cash and cash equivalents, ending	**$**	**1,105,304**	$	1,282,865
Supplemental cash flow disclosures:				
Cash paid for interest	**$**	**5,950**	$	9,337

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

Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Florida Center for Early Childhood, Inc. ("the Center") is a not-for-profit corporation located in Sarasota, Florida. It was incorporated on June 22, 1979 for the purpose of providing mental health and developmental therapy to at-risk infants and children from the age of zero to nine. The Center also provides professional evaluation, therapy, counseling, education, diagnostic, advocacy, and consultation services for children, adolescents and adults.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Basis of Accounting and Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles of the United States of America (GAAP).

Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction: Include net assets that are not subject to donor-imposed stipulations and net assets that have been designated for a specific purpose by the Board of Directors.

Net Assets With Donor Restrictions: Include gifts for which donor-imposed restrictions due to time or purpose have not yet been met and gifts that require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Summarized Comparative Information - The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Concentration of Risk - The Center maintains its cash balances at financial institutions located in Sarasota, Florida. Accounts at each financial institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per customer. From time to time, the balances exceed the FDIC insured limits.

Donated Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as without donor restriction support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restriction support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies with donor restriction net assets to without donor restriction net assets at that time.

Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment - Property and equipment are recorded at cost or, if donated, at the fair market value at the date of the donation. The Center capitalizes purchases over $1,000 and depreciation is computed using the straight-line method over the estimated useful lives of the assets. Repairs that do not significantly extend the life of capitalized assets are expensed as incurred.

The estimated useful lives are as follows:

Furniture, fixtures, and equipment	3 - 15 years
Computers and software	3 years
Vehicles	3 years
Leasehold improvements	25 years

Donated Services - Donated services are recognized as contribution in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 958-605, *Not-for-Profit Entities Revenue Recognition.* Contribution of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations, are recorded at their fair values in the period received.

Income Tax Status – The Center has received a letter of determination from the Internal Revenue Service advising that it qualifies as a not-for-profit corporation under Section 501(c)(3) other than a private foundation of the Internal Revenue code.

Management has evaluated the effect of accounting standards relating to accounting for uncertainty in income taxes. Management has determined that the Center had no uncertain income tax positions that could have a significant effect on the financial statements for the years ended June 30, 2021 and 2020.

Patient Accounts Receivables – Patient receivables consist of amounts due from patients, Medicaid, and third-party insurance carriers arising from program services provided in the ordinary course of business. The Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. Three health care plans had a balance in excess of 10% of the total patient receivables, and comprised 65% of the Center's patient receivables as of June 30, 2021. Four health plans, each with balances in excess of 10% of total patient receivables, comprised 77% of the Center's patient receivables as of June 30, 2020.

The allowance for uncollectible accounts is management's best estimate of the amount of probable losses in patient receivables and is based on a number of factors, including payer collections and adjustments history and review of past due balances, with particular emphasis on past due accounts greater than 90 days old and individual patient self-pay balances. Account balances are written off against the allowance after all means of collection have been exhausted and the likelihood of potential recovery is considered remote. Patient receivables are included in the accompanying statements of financial position net of the allowance for uncollectible accounts, which includes estimated allowances for contractual adjustments and uncollectible accounts, of $18,077 and $0 at June 30, 2021 and 2020, respectively.

Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract Receivables - Contract receivables consist of amounts due primarily from Early Learning Coalition, YMCA, Children First and Training Contracts. Management utilizes the accounts receivable aging report in order to determine if there will be a need for an allowance for doubtful accounts in the current year. Given the lack of aged items as of the end of the year it was deemed not necessary to have an allowance for doubtful accounts for June 30, 2021 and 2020.

Grant Receivables - Grant receivables consist of amounts due primarily from Ounce of Prevention, Florida Department of Health, Sarasota and Manatee County, Sarasota County School Board, United Way, and Jewish Family Counseling Services. Management has determined these receivables are collectable and an allowance for doubtful accounts is not considered necessary for the years ended June 30, 2021 and 2020 due to the lack of aged balances within the accounts receivable aging report used by management.

Refundable Advances

On May 7, 2020, the Center received a loan in the amount of $483,900 under the Paycheck Protection Program (PPP) pursuant to the CARES Act and administered by the U.S. Small business Administration (SBA).

The Center is recognizing revenue from the PPP loan following the guidance under FASB 958-605. PPP loan funds are considered a conditional contribution and recorded as a refundable advance on the balance sheet until the barriers to entitlement are met. The Center considers the barriers to entitlement to include the incurrence of qualifying expenses and maintaining specified levels of payroll and employment. Revenue is recognized once conditions have been substantially met or explicitly waived. The Center does not consider the administrative process of filing for forgiveness to be a condition to recognize the PPP loan as revenue. The Center received forgiveness for the full amount of the PPP loan on September 27, 2021. In accordance with the guidance under FASB 958-605, revenue was recognized in the amounts of $383,808 and $110,092 as of June 30, 2021 and 2020, respectively.

In addition, the Center has received funds that are considered to be conditional contributions and are therefore recorded as refundable advances on the balance sheet until the barriers to entitlement have been met. The barriers to entitlement include incurrence of qualifying expenses. Revenue will be recognized once the conditions have been met.

Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Government and Private Grants

Grant funds that are received are considered to be available for use when received unless specifically stated by the donor which is communicated through a grant agreement. All grant contracts are reviewed to determine if there is both a barrier and right of return in accordance with ASU 2018-08 – Not-for-Profit Entities: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*. If both a barrier and right of return exist, then it is deemed to be a conditional grant where revenue is recognized once the conditions are met. Any funds that are received in advance are recorded as refundable advances until the conditions are met. If there is not a barrier and a right of return present the funds received are deemed to be unconditional and can be recognized when received. For Grants which are determined to be conditional, and for which the donor-imposed conditions and restrictions are met in the same reporting period, they are reported as net assets without donor restrictions.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as contributions with donor restrictions and increases that net asset class. When a restriction expires, the amount is reclassified from net assets with donor restriction to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Special Events

Special event revenue includes revenue earned for sponsorships, ticket sales, raffles and auctions. The Center recorded approximately $23,000 related to the cost of direct benefits to donors in special event revenue. The balance of the revenue is considered a contribution.

All services are recognized as of the date of the event. Obligations for returns and refunds for event tickets and sponsorships are insignificant therefore there is no need for variable consideration of discounts or non-collection of revenue. Special event revenue is presented net of special event expense of $59,345, as these events are peripheral to the central activities of the Center.

Private Contracts

This revenue is recorded when the service is provided and the revenue is earned, based on agreed upon rates as stated in the contracts, in accordance with ASU 2014-09 – *Revenue from Contracts with Customers (Topic 606).* Discounts are not allowed in the contracts and as non-collection of revenue historically is nominal, there is no need for variable consideration relating to the non-collection of revenue.

Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Training Institute and Rental Income

The revenue is recognized when it has been earned. When received in advance it is recorded as a deferred contract liability until earned. Discounts are not allowed in the contracts and as non-collection of revenue historically is nominal, there is no need for variable consideration relating to the non-collection of revenue.

Patient and Third-Party Fees, Net

Patient Service Revenue is reported at an amount that reflects what the Center expects to be entitled to in exchange for providing patient care. The Center derives the patient services revenues from information that is entered into their system by a therapist after a patient has received care. Some of the services provided will include sessions such as individual family therapy in which the therapist will document the session and that is when a bill can then be made for the services. The amount for the services are then due from the patient, Medicaid, Early Steps or other third party insurance. The Center will bill the patients and third party payers after the services have been performed. As a result revenue is recognized as the performance obligation is satisfied.

The Center bills patients without third-party insurance on a sliding scale of 0% to 100% of standard charges, based on the patient's ability to pay. Charges foregone due to a patient's inability to pay are not recognized as revenue. A portion of the cost of serving uninsured patients with no ability to pay is funded under the Centers' contracts with its funding agencies.

The Center has agreements with third-party payers that provide for payments at amounts different from its established rates. Medicaid and other governmental programs reimburse providers based on fee schedules, which are determined by the related government agency. The Center also has agreements with managed care and other organizations to provide services based on negotiated fee schedules. Accordingly, the revenues reported in the Centers' financial statements are recorded at the amount that is expected to be received.

The Center must estimate the total amount of contractual discounts from established charges to prepare its financial statements. The Medicaid regulations and various managed care contracts under which these discounts must be calculated are complex and subject to interpretation and adjustment. The Center estimates the allowance for contractual discounts on a payer class basis using its interpretation of the applicable regulations or contract terms. These interpretations sometimes result in payments that differ from initial estimates. Additionally, updated regulations and contract renegotiations occur frequently, necessitating regular review and assessment of the estimation process by management.

Medicaid: The Center will provide services to patients who obtain services and go through Medicaid for payment. The Center will record revenue at the amount that it expects to obtain based upon the services that were performed. Often the invoiced amount by the Center will vary from the expected rate that is entered into the system to be received. Cash receipts will often align with the expected rates. Further, the Center assesses the collectability of the cash receipts based on the accounts receivable aging.

Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued

Patient and Third-Party Fees, Net (continued)

Insurance: The Center will provide services to patients who obtain services that will go through third party insurance. Revenue for these services provided will be recognized when performed. Often times there will be denials or billings that were improperly directed and must be redirected to obtain cash receipt. The Center assesses the collectability of the third party insurance balance based on the accounts receivable aging balances.

Client Pay: The Center will provide services to patients who are client pay and going through Medicaid or another insurance. For the revenues that are related to client pay the service often relates to services such as weekly classroom attendance. As a result they have rates for the child's attendance and the billed amount will align with the expected and cash receipts will be obtained directly. The Center assesses the ultimate collectability of the client pay accounts based on the accounts receivable aging balances.

Early Steps: Revenue is recognized when services are provided to the patient as noted by documentation that is submitted evidencing the child's services being documented. The organization will be billed based on set rates and then within the system there is an expected rate that they believe they will receive. The expected amount often aligns with the payments that are obtained for the services. Any balance that is not paid is assessed by the organization by looking at the accounts receivable aging to determine the collectability of the remaining balance.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. For expenses that are attributable to one or more supporting services category, management allocates the related expenses based on square footage or time and effort.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 24, 2022. See Note 14 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842),* which requires a lessee to recognize a right-of-use asset and a lease liability for operating leases, initially measured at the present value of the lease payments in its balance sheet. This standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. This guidance is effective on fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is evaluating the impact of adopting ASU 2016-02 on its financial position and will base the evaluation on leases outstanding at the time of adoption.

Note 2: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

June 30,	**2021**	2020
Furniture, fixtures, and equipment	**$ 1,042,527**	$ 1,042,527
Computers and software	**247,374**	218,352
Vehicles	**62,211**	57,701
Leasehold improvements	**230,307**	226,912
Total property and equipment	**1,582,419**	1,545,492
Less: accumulated depreciation	**(1,469,234)**	(1,442,737)
Net property and equipment	**$ 113,185**	$ 102,755

Note 3: INVESTMENTS

The components of investments at June 30, 2021 and 2020 are summarized as follows:

June 30, 2021	Cost	Fair Value	Accumulated Unrealized Gain (Loss)
Common stock	$ 515,605	$ 774,060	$ 258,455
Corporate bonds-fixed	72,391	74,119	1,728
Money market account	46,790	46,790	-
Total	$ 634,786	$ 894,969	$ 260,183

June 30, 2020	Cost	Fair Value	Accumulated Unrealized Gain (Loss)
Common stock	$ 388,538	$ 493,712	$ 105,174
Corporate bonds-fixed	77,310	77,423	113
Money market account	155,662	155,662	-
Total	$ 621,510	$ 726,797	$ 105,287

The net investment returns for 2021 and 2020 fiscal years were $167,172 and $25,796, respectively.

Note 4: FAIR VALUE MEASUREMENT

The financial statements are prepared in accordance with ASC 820, *Fair Value Measurements*, for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements or on a recurring basis (at least annually). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an 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. The standard also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Valuations derived for similar assets in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. 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: Unobservable inputs that are not corroborated by market data

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

Common stock: Comprised of common stock valued at the closing price reported in the active market in which the individual securities are traded.

Corporate bonds: Comprised of units/share held in corporate bonds. Each unit is invested in an allocation of actively traded financial instrument that are priced on a daily basis. There are no unfunded commitments within the funds and in addition there are no significant restrictions on the Center's ability to sell the investments.

Money market account: Comprised of money markets which are valued at the closing price reported in the active market in which the assets are held at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 4: FAIR VALUE MEASUREMENT (Continued)

The following table sets forth by level, within the fair value hierarchy, the Center's assets and liabilities valued on a recurring basis as of June 30, 2021 and 2020:

Description	June 30, 2021	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	$ 774,060	$ 774,060	$ -	$ -
Corporate bonds - fixed	74,119	74,119	-	-
Money market funds	46,790	46,790	-	-
Total financial assets at fair value	$ 894,969	$ 894,969	$ -	$ -

Description	June 30, 2020	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	$ 493,712	$ 493,712	$ -	$ -
Corporate bonds - fixed	77,423	77,423	-	-
Money market funds	155,662	155,662	-	-
Total financial assets at fair value	$ 726,797	$ 726,797	$ -	$ -

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require transfer of financial instruments from one fair value to another. In such instances, the transfer is reported at the beginning of the reporting period. There were no such transfers in the current year.

Note 5: PATIENT ACCOUNTS RECEIVABLE

The Center grants credit without collateral to its patients, most of who are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers as of the years ended June 30, 2021 and 2020, are as follows:

Payor	Percent 2021	2020
Medicaid	85%	88%
Commercial	15%	6%
Patients	0%	3%
Early Steps	0%	3%
	100%	100%

Note 6: PATIENT SERVICE REVENUE

Patient service revenue, net of contractual allowances and discounts and the provision for uncollectible accounts is recognized for the years ended June 30, 2021 and 2020, respectively, as follows:

For the year ended June 30,	2021	2020
Medicaid	$ 961,774	$ 651,908
Commercial	50,840	34,403
Private pay	81,402	204,718
Early Steps	2,353	15,922
	$ 1,096,369	$ 906,951

Three health care plans had a balance in excess of 10% of the total patient service revenue, and comprised 63% of the Center's patient service revenue as of June 30, 2021. Three health plans, each with balances in excess of 10% of total patient service revenue, comprised 57% of the Center's patient service revenue as of June 30, 2020.

Note 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes.

For the year ended June 30,	2021	2020
Fetal Alcohol Clinic	$ 5,800	$ 14,500
Mental Health Services	-	63,301
Sensory Garden	3,303	6,828
	$ 9,103	$ 84,629

Note 8: IN-KIND DONATIONS

The Center has annually renewable leases of $1 per year for its north Sarasota and North Port locations that provide for administrative and service facilities. In addition, the Charlotte County School Board provides space in two schools and is recorded at fair market value of the leased space. Further, ELC of Florida Heartland provides training space, Healthy Families Charlotte provides space for parent group meetings, and Family Services Center provides office and conference room space. The value of the leases for the years ended June 30, 2021 and 2020 are $564,000 and $564,000, respectively, and are a portion of in-kind donations that is recognized in the statement of activities.

Note 9: RETIREMENT PLAN

The Center provides a contributory tax-deferred annuity plan for its employees. After one year of employment, the Center will match up to 5% of the employee's contributions to their retirement plans. Retirement expense was $107,807 and $113,850 for the years ended June 30, 2021 and 2020, respectively.

Note 10: NOTES PAYABLE

The Center signed a 60-month, $22,127 auto loan on February 23, 2018. The monthly loan payment is $462 per month and carries an annual interest rate of 9.24%. The loan is collateralized by the vehicle with a net book value of $4,149 as of June 30, 2021.

The Center refinanced the line of credit to a term loan in March 2020. The term loan is a 48 month, $142,766 loan on March 27, 2020. The monthly loan payment of principal and interest is $3,232.47 where the annual interest rate is 4.14%. The loan is collateralized by all accounts, inventory, equipment, general intangibles, investment property, all instruments of payment both held now and in the future as well as all assets and personal property held both now and in the future can be used, per the loan agreement. The Center has $2,267,929 of financial assets available within one year of the statement of financial position date consisting of cash and cash equivalents of $764,416, investments of $894,969, and accounts receivable of $608,544.

The table below shows the Center's commitments for future periods:

Fiscal Year	Amount
2022	40,209
2023	40,419
2024	27,832
	$ 108,460

Note 11: REFUNDABLE ADVANCE – PPP LOAN REVENUE

On May 7, 2020, the Center received a loan in the amount of $483,900 under the PPP pursuant to the CARES Act and administered by the SBA. The PPP provides for forgivable loans to qualifying businesses. The loan and accrued interest was forgivable as long as the borrower used the loan proceeds for eligible purposes, including payroll costs, rent and utilities.

Note 11: REFUNDABLE ADVANCE – PPP LOAN REVENUE (Continued)

Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. According to terms of the promissory note, the first payment of principal and interest is due in December 2020, with subsequent payments due each month through the loan maturity date of May 2022.

The Center has used the PPP loan funds for its payroll and benefits purposes consistent with the PPP. On September 27, 2021 the Center was notified of the full forgiveness of the PPP loan.

Note 12: COMMITMENTS AND CONTINGENCIES

Based on the nature of the Center's business, the Center is subject to regulatory and monitoring reviews or other investigations by various state insurance and health care regulatory authorities and other state and federal regulatory authorities. These authorities regularly scrutinize the business practices of health care companies and their reviews focus on numerous facets of the Centers' business, including claims payment practices, physician credentialing, competitive practices, privacy issues and utilization management practices, among others. Such reviews could result in future assessments of fines and/or sanctions that may be material to the financial statements. The Center did not incur fines and/or sanctions related to these reviews during the years ended June 30, 2021 and 2020.

Professional and General Liability
The Center is subject to claims and legal actions in the ordinary course of business, including claims relating to patient treatment, employment practices and personal injuries. To cover these types of claims, the Center maintains general and professional liability insurance on a claims-made basis through commercial insurance carriers in amounts that the Center believes to be sufficient for its operations. It is at least reasonably possibly that some claims may exceed the scope of coverage in effect.

Laws and Regulations
The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not limited to accreditation, licensure, and government healthcare program participation requirements, reimbursement for patient services, and Medicaid fraud and abuse.

In recent years, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. To ensure accurate payments to providers, the Tax Relief and Healthcare Act of 2006 mandated the Centers for Medicare & Medicaid Services (CMS) to implement a Recovery Audit Contractor (RAC) program on a permanent and nationwide basis no later than 2010. The program uses RACs to search for potentially improper Medicare/Medicaid payments that may have been made to health care providers that were not dated through existing CMS program integrity efforts, on payments that have occurred at least one year ago but not longer than three years ago. Once a RAC identifies a claim it believes to be improper, it makes a deduction from the provider's Medicaid reimbursement in an amount estimated to equal the overpayment.

Note 12: COMMITMENTS AND CONTINGENCIES (Continued)

The Center will deduct from revenue any amounts assessed under the RAC audits at the time a notice is received until such time that estimates of net amounts due can be reasonably estimated. RAC assessments are possible; however, the outcome of such assessments is unknown and cannot be reasonably estimated.

Violations of these laws and regulations could result in exclusion from government healthcare program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While the Center is subject to similar regulatory reviews, management believes the outcome of any such regulatory review will not have a material adverse effect on the Center's financial position.

Note 13: LIQUIDITY

The Center has $2,267,929 of financial assets available within one year of the statement of financial position date consisting of cash and cash equivalents of $764,416, investments of $894,969, and accounts receivable of $590,467. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The current liabilities no subject to donor or other contractual restrictions are reported as $482,941. There are adequate amounts of current assets to cover the current obligations. Management closely monitors cash flow and strives to stay within the board approved budget.

Note 14: SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 24, 2022, which is the date the financial statements were available to be issued. There were no subsequent events noted.

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

Board of Directors
The Florida Center for Early Childhood, Inc.
Sarasota, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Florida Center for Early Childhood, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 24, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Florida Center for Early Childhood, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Florida Center for Early Childhood, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Florida Center for Early Childhood, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 Florida Center for Early Childhood, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, LLC

Bradenton, Florida
March 24, 2022

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

Board of Directors
The Florida Center for Early Childhood, Inc.
Sarasota, Florida

Report on Compliance for Each Major Federal Program

We have audited The Florida Center for Early Childhood, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Florida Center for Early Childhood, Inc.'s major federal programs for the year ended June 30, 2021. The Florida Center for Early Childhood, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of The Florida Center for Early Childhood, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 occurred. An audit includes examining, on a test basis, evidence about The Florida Center for Early Childhood, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, The Florida Center for Early Childhood, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of The Florida Center for Early Childhood, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Florida Center for Early Childhood, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Florida Center for Early Childhood, Inc.'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

CARR, RIGGS & INGRAM, LLC

Bradenton, Florida
March 24, 2022

The Florida Center For Early Childhood, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance

June 30, 2021

Federal/State Grantor/Pass Through Grantor/ Program Title	Federal ALN/State CSFA Number	Contract/Grant Number	Federal/State Expenditures	Transfers to Subrecipients
U.S. Department of Health and Human Services				
Passed through State of Florida, Department of Children and Family:				
Passed through Ounce of Prevention Fund of Florida, Inc.:				
Promoting Safe and Stable Families	93.556	20-21-06	$ 99,904	-
Temporary Assistance for Needy Families Block Grant	93.558	20-21-06	642,879	-
Passed through Save Children Coalition:				
Passed through Ounce of Prevention Fund of Florida, Inc.:				
Child Abuse and Neglect State Grants	93.669		32,704	-
Total U.S. Department of Health and Humna Services			775,487	-
U.S. Department of Treasury				
Passed through Manatee County:				
COVID 19 Coronavirus Relief Fund	21.019		4,594	-
Total U.S. Department of Health and Humna Services			$ 4,594	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 780,081	-
State of Florida, Department of Health:				
Direct:				
Fetal Alcohol Spectrum Disorder Program	64.066		$ 280,000	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			$ 280,000	-
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			$ 1,060,081	-

The Florida Department of Children and Families and Ounce of Prevention provide the following state matching dollars not included in the above schedule:

Grantor/Pass Through Grantor/ Program Title	Federal ALN/State CSFA Number	Contract Number	Expenditures	Transfers to Subrecipients
Passed through Florida Department of Children and Families and Ounce of Prevention	NA	20-21-06	$ 33,301	-
Passed through Florida Department of Children and Families and Ounce of Prevention	NA	20-21-06	1,128,881	-
Total expenditures of state matching dollars			$ 1,162,182	-

The accompanying notes to the SEFA are an integral part of this schedule.

Note 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule) includes the federal and state grant activity of The Florida Center for Early Childhood, Inc. (Center) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Center has elected to not use the 10% de Minimis Indirect Cost Rate.

The Centers' federal awards do not include loans or loan guarantees.

The Center did not receive any federal non-cash assistance for the fiscal year ended June 30, 2021.

Note 3: MATCH

The Center's contract includes state match for a total of $1,211,434. The allocation of state and federal funding to the program is determined by the Department of Children and Families.

Also as required in the contract, the Center must obtain other contributions in cash or in-kind services totaling $399,610.

Note 4: CONTINGENCIES

Grant monies received and disbursed by the Florida Center for Early Childhood are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Center does not believe that such disallowance, if any, would have a material effect on the financial position of the Center. As of March 24, 2022, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

1. Type of auditor's report issued:	Unmodified
2. Internal control over financial reporting:	
a. Material weakness(es) identified?	None
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to 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?	None noted
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None
4. Identification of major program:	

ALN Number	Name of Program
93.558	TANF: Temporary Assistance for Needy Families Block Grant

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	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – FEDERAL AWARD FINDINGS

None noted

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None noted