



PASCO KIDS FIRST, INC.

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

PASCO KIDS FIRST, INC.

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Pasco Kids First, Inc.
New Port Richey, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Pasco Kids First, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Pasco Kids First, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state project awards on page 25 is presented for the purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on page 17, 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 December 16, 2020, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Organization's internal control over financial reporting and compliance.

Reeder & Associates, PA

Certified Public Accountants
December 16, 2020

PASCO KIDS FIRST, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash	\$ 682,002	\$ 53,409
Grants and contracts receivable, net of allowance	511,003	349,816
Total Current Assets	<u>1,193,005</u>	<u>403,225</u>
Property and Equipment		
Property and equipment, net of accumulated depreciation of \$134,481 and \$127,821	312,790	319,450
Other Assets	<u>15,510</u>	<u>14,310</u>
Total Non-Current Assets	<u>328,300</u>	<u>333,760</u>
TOTAL ASSETS	<u><u>\$ 1,521,305</u></u>	<u><u>\$ 736,985</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 40,586	\$ 47,527
Accrued expenses	180,187	116,144
Paycheck Protection Program loan	373,628	-
Deferred revenue	37,092	56,277
Total Current Liabilities	<u>631,493</u>	<u>219,948</u>
Long-Term Liabilities		
Economic Injury Disaster Loan	<u>150,000</u>	<u>-</u>
Total Liabilities	<u>781,493</u>	<u>219,948</u>
Net Assets		
Without donor restrictions -		
Undesignated	427,022	197,587
Invested in property and equipment	312,790	319,450
With donor restrictions	<u>-</u>	<u>-</u>
Total Net Assets	<u>739,812</u>	<u>517,037</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,521,305</u></u>	<u><u>\$ 736,985</u></u>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

PASCO KIDS FIRST, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Support and Revenue		
Federal and state grants and contracts	\$ 2,565,702	\$ 2,209,391
Crime Victims Compensation	99,002	114,969
Other grants and contracts	121,730	102,728
Contributions	207,351	235,540
In-kind contributions	223,674	360,385
	<u>3,217,459</u>	<u>3,023,013</u>
Total Support and Revenue	<u>3,217,459</u>	<u>3,023,013</u>
Expenses		
<i>Program Services</i>		
Child Abuse Crisis Program	673,419	618,934
Sexual Assault Victim Exams (SAVE)	46,797	63,672
Healthy Families Program	1,322,380	1,382,701
Oral Health Education	103,495	61,286
Trauma Treatment Team	576,474	556,728
	<u>2,722,565</u>	<u>2,683,321</u>
<i>Total Program Services</i>	<u>2,722,565</u>	<u>2,683,321</u>
<i>Support Services</i>		
General and administrative	182,245	144,216
Fundraising	89,874	92,098
	<u>272,119</u>	<u>236,314</u>
<i>Total Support Services</i>	<u>272,119</u>	<u>236,314</u>
Total Expenses	<u>2,994,684</u>	<u>2,919,635</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE OTHER CHANGES	222,775	103,378
Other Changes		
Loss on disposal of property and equipment	<u>-</u>	<u>(52,076)</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	222,775	51,302
NET ASSETS, beginning of the year	<u>517,037</u>	<u>465,735</u>
NET ASSETS, end of year	<u><u>\$ 739,812</u></u>	<u><u>\$ 517,037</u></u>

Read Report of Independent Certified Public Accountants.
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of these financial statements.

PASCO KIDS FIRST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	PROGRAM SERVICES						SUPPORT SERVICES			Total Expenses
	Child Abuse Crisis Program	SAVE	Healthy Families Program	Oral Health Education	Trauma Treatment Team	Total Program Services	General and Administrative	Fundraising	Total Support Services	
Salaries	\$ 363,887	\$ 6,036	\$ 800,867	\$ 45,538	\$ 407,588	\$ 1,623,916	\$ 130,873	\$ 72,886	\$ 203,759	\$ 1,827,675
Payroll taxes	28,373	453	59,406	3,484	30,220	121,936	11,004	1,014	12,018	133,954
Employee benefits	54,569	70	104,183	439	36,180	195,441	7,789	2,004	9,793	205,234
	446,829	6,559	964,456	49,461	473,988	1,941,293	149,666	75,904	225,570	2,166,863
Medical	107,496	38,818	-	-	1,037	147,351	-	-	-	147,351
Mileage and travel	1,037	-	40,331	2,744	1,800	45,912	543	1,241	1,784	47,696
Utilities	11,806	-	27,753	689	10,414	50,662	3,736	216	3,952	54,614
Employee training	1,251	-	9,776	172	7,394	18,593	-	280	280	18,873
Repairs & maintenance	5,013	-	18,332	2,564	-	25,909	500	-	500	26,409
Rent	56,363	-	165,496	-	34,363	256,222	4,175	-	4,175	260,397
Printing, postage & supplies	11,130	522	20,144	2,477	12,695	46,968	15,043	-	15,043	62,011
Program costs	16,930	543	40,331	39,566	17,608	114,978	25	306	331	115,309
Professional fees	6,015	-	12,074	-	5,551	23,640	-	-	-	23,640
Insurance	4,240	-	11,173	-	4,385	19,798	36	-	36	19,834
Dues & subscriptions	3,344	-	8,613	1,532	1,887	15,376	1,671	4,938	6,609	21,985
Bad debt	-	-	-	-	4,090	4,090	-	-	-	4,090
Other expenses	140	31	1,019	3,855	437	5,482	5,780	6,876	12,656	18,138
	671,594	46,473	1,319,498	103,060	575,649	2,716,274	181,175	89,761	270,936	2,987,210
Interest	-	-	-	-	-	-	814	-	814	814
Depreciation	1,825	324	2,882	435	825	6,291	256	113	369	6,660
Total Expenses	\$ 673,419	\$ 46,797	\$ 1,322,380	\$ 103,495	\$ 576,474	\$ 2,722,565	\$ 182,245	\$ 89,874	\$ 272,119	\$ 2,994,684

Read the Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

PASCO KIDS FIRST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	PROGRAM SERVICES						SUPPORT SERVICES			Total Expenses
	Child Abuse Crisis Program	SAVE	Healthy Families Program	Oral Health Education	Trauma Treatment Team	Total Program Services	General and Administrative	Fundraising	Total Support Services	
Salaries	\$ 327,684	\$ 6,600	\$ 678,990	\$ 35,785	\$ 414,808	\$ 1,463,867	\$ 92,128	\$ 71,330	\$ 163,458	\$ 1,627,325
Payroll taxes	25,367	498	50,144	2,738	31,973	110,720	6,845	5,368	12,213	122,933
Employee benefits	45,682	58	113,662	471	30,552	190,425	12,078	6,234	18,312	208,737
	398,733	7,156	842,796	38,994	477,333	1,765,012	111,051	82,932	193,983	1,958,995
Medical	93,231	42,744	114	-	-	136,089	-	-	-	136,089
Mileage and travel	1,114	42	56,425	4,463	1,141	63,185	170	2,081	2,251	65,436
Utilities	9,356	-	19,959	698	8,102	38,115	4,419	202	4,621	42,736
Employee training	4,945	-	7,738	1,759	2,321	16,763	-	392	392	17,155
Repairs & maintenance	5,369	-	11,617	-	3,073	20,059	315	-	315	20,374
Rent	59,982	7,425	339,905	-	34,188	441,500	4,174	-	4,174	445,674
Printing, postage & supplies	7,877	203	18,030	5,132	4,890	36,132	14,399	389	14,788	50,920
Program costs	12,758	594	33,084	9,945	15,318	71,699	227	44	271	71,970
Professional fees	12,024	-	14,278	-	3,455	29,757	-	-	-	29,757
Insurance	5,074	-	22,103	-	1,053	28,230	-	-	-	28,230
Dues & subscriptions	4,799	-	11,090	44	4,761	20,694	571	5,979	6,550	27,244
Bad debt	-	5,000	-	-	-	5,000	-	-	-	5,000
Other expenses	1,793	25	954	60	416	3,248	6,428	-	6,428	9,676
	617,055	63,189	1,378,093	61,095	556,051	2,675,483	141,754	92,019	233,773	2,909,256
Interest	-	-	-	-	-	-	2,198	-	2,198	2,198
Depreciation	1,879	483	4,608	191	677	7,838	264	79	343	8,181
Total Expenses	\$ 618,934	\$ 63,672	\$ 1,382,701	\$ 61,286	\$ 556,728	\$ 2,683,321	\$ 144,216	\$ 92,098	\$ 236,314	\$ 2,919,635

Read the Report of Independent Certified Public Accountants.
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of these financial statements.

PASCO KIDS FIRST, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 222,775	\$ 51,302
<i>Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:</i>		
Depreciation	6,660	8,181
Loss on disposal of property and equipment	-	52,076
Bad debt expense	4,090	5,000
(Increase) decrease in grants receivable	(165,277)	(48,221)
(Increase) decrease in other assets	(1,200)	(267)
Increase (decrease) in accounts payable	(6,941)	(23,543)
Increase (decrease) in accrued expenses	64,043	(11,401)
Increase (decrease) in deferred revenue	(19,185)	5,816
Total Adjustments	<u>(117,810)</u>	<u>(12,359)</u>
Net Cash Provided by (Used in) Operating Activities	<u>104,965</u>	<u>38,943</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	373,628	-
Proceeds from Economic Injury Disaster loan	<u>150,000</u>	<u>-</u>
Net Cash Provided by (Used in) Financing Activities	<u>523,628</u>	<u>-</u>
NET INCREASE IN CASH	628,593	38,943
CASH, BEGINNING OF YEAR	<u>53,409</u>	<u>14,466</u>
CASH, END OF YEAR	<u><u>\$ 682,002</u></u>	<u><u>\$ 53,409</u></u>
<u>SUPPLEMENTAL DISCLOSURE</u>		
Disposal of fully depreciated property and equipment	<u><u>\$ -</u></u>	<u><u>\$ 45,870</u></u>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE A – DESCRIPTION OF ORGANIZATION

Pasco Kids First, Inc. (“the Organization”) is a nonprofit entity incorporated in 1990 under the laws of the State of Florida. Their mission is to assist in the protection of Pasco and Hernando County children from the devastating effects of child abuse. Through partnerships with other community agencies, the Organization provides accurate assessments and services to children and their families by utilizing a multidisciplinary approach. Through community education and early intervention, the Organization promotes a healthy and nurturing family environment for all of their children.

Major funding is provided by the U.S. Department of Health and Human Services passed-through the State of Florida through grant agreements and contracts with the Department of Health, Healthy Families Florida and other agencies. Funding is also provided by Pasco County and local organizations.

The Organization offers the following programs:

- **Child Abuse Crisis Program** – The Organization provides medical, forensic and psychological evaluations and counseling through a team of child abuse specialists made up from a network of doctors, nurses, social workers, psychologists and other professionals to alleged victims of child abuse and neglect. Community education and awareness programs are also provided.
- **Sexual Assault Victim Exams (SAVE)** – The Organization provides examination and collection of evidence for adult victims of sexual assault.
- **Healthy Families Pasco/Hernando** – A voluntary home visiting program for expectant parents and families of newborns is offered to the community. This positive parent support program works to build parenting skills, promotes parent-child relationships and bonding, promotes healthy child development, and links families to other services in the community.
- **Oral Health Education** – The Organization provides oral health care kits and information to families which educate them about the importance of dental health with overall health. Families are also provided information and referrals to resources and providers in the community to take care of dental needs to reduce emergency room visits and missed work and school days.
- **Trauma Treatment Team** – The Organization provides an array of education, prevention, assessment and intervention services to all members of the family affected by sexual abuse. Child victims of sexual abuse are provided immediate safety, assistance with coping with the trauma of the abuse and help with prevention of further incidents of abuse.

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 – Revenue from Contracts with Customers (Topic 606), as amended, and ASU No. 2018-08 – Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, as management believes the standards improve the usefulness and understandability of the Organization's financial reporting.

Analysis of various provisions of the standards resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standards.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that:

- may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.
- are maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

The Organization had no net assets with donor restrictions as of June 30, 2020 and 2019.

Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents

The Organization considers currency on hand, demand deposits and money market funds as cash. Cash equivalents would consist of highly liquid debt instruments purchased with maturities of three months or less.

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and Contracts Receivable

Grants receivable result from services which have been provided pursuant to the Organization's grants, but for which reimbursement has not yet been received at June 30, 2020 and 2019. No allowance was set up for federal and state grants as any amounts determined unallowable by the grantor are deducted from revenue upon notification of the disallowance. No material amounts were subsequently disallowed with respect to the amounts recorded at June 30, 2020 and 2019.

An allowance related to the Crime Victims Compensation contracts for therapy services was set up during the fiscal year ended June 30, 2017. At June 30, 2019, the allowance was \$87,000. During the fiscal year ended June 30, 2020, final determinations were made on the related receivables and they were written off against the allowance account. At June 30, 2020, no allowance was deemed necessary as management believes all remaining outstanding amounts to be collectible.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been met.

The Organization receives substantially all of its revenue from Federal and State grants and contracts. Revenues from federal and state grants and contracts are recorded based upon terms of the grantor allotment, which may be conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has completed performance requirements and/or incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to completing performance requirements and/or incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. Revenues are subject to audit by the grantor and, if the examination results in a disallowance of any expenditure, repayment could be required. Management believes that all revenue has been earned as of June 30, 2020 and 2019.

For the years ended June 30, 2020 and 2019, federal and state grants and contracts were approximately 80% and 74%, respectively, of total revenue. For the year ended June 30, 2020 approximately 93% of federal and state grants and contracts were from three agencies (49%, 26% and 18%). For the year ended June 30, 2019 approximately 94% of federal and state grants and contracts were from three agencies (52%, 27% and 15%).

Property and Equipment

Property and equipment are stated at historical cost and depreciated using the straight-line method over the estimated useful lives ranging from 5 to 39 years. Acquisitions of property and equipment in excess of \$500 are capitalized. Maintenance and repairs are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in earnings.

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Facilities, Materials and Services

Donated facilities are recorded based on the fair rental value of comparable facilities. Donated materials are recognized at fair market value, as stated by the donor when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses.

Donated services are recorded at their approximate fair value if they create or enhance non-financial assets, are of a specialized nature, are provided by an individual possessing those skills, and would have been purchased if not donated. There were no services meeting these criteria during the years ended June 30, 2020 and 2019.

Functional Allocation of Expenses

Expenses are shown by natural expense classification and function in the accompanying statement of functional expenses for each year presented. Expenses that are associated with a specific program are charged directly to that program. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Allocations are based on direct usage or management's estimate of the benefit derived by each activity. Management's estimates may be based on factors such as time and effort, square footage, clients served, or any other reasonable basis. The expenses that are allocated on the basis of estimates of time and effort are salaries, payroll taxes, employee benefits, mileage and travel, employee training, insurance, certain supplies, and dues and subscriptions. Rent, building repair and maintenance, and utilities are allocated on a square footage basis. Depreciation is allocated based on the percentage of non-payroll expenses to total non-payroll expenses for each program and supporting function.

Income Tax Status

The Organization is exempt from federal and state income taxes under Section 501 (c)(3) of the Internal Revenue Code and similar state provisions. The Organization is treated as a public supported organization, and not as a private foundation. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Organization accounts for uncertain tax positions, if any, in accordance with ASC Section 740.

Management is not aware of any activities that would jeopardize the Organization's tax-exempt status. The Organization is not aware of any tax positions that it has taken that are subject to a significant degree of uncertainty. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2017.

Fair Value of Financial Instruments

Professional standards require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, grants and contracts receivable and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of cash and receivables at June 30, 2020 and 2019. The Organization places its cash with creditworthy, high-quality financial institutions. Accounts are maintained at institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time amounts held may exceed this limit. At June 30, 2020, the amounts in excess of the FDIC limit totaled \$459,540. As of June 30, 2019, no amounts exceeded the FDIC limit. The Organization has not experienced any losses on its deposits.

Reclassification

Certain 2019 amounts have been reclassified to conform to the 2020 presentation.

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date. These financial assets are required to be reduced by those not available for general use within one year of the statement of financial position date. At June 30, 2020 and 2019, all of the Organization's financial assets were available within one year for general expenditure.

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 682,002	\$ 53,409
Grants and contracts receivable, net	<u>511,003</u>	<u>349,816</u>
Total financial assets	<u>1,193,005</u>	<u>403,225</u>
Less those unavailable for general expenditure within one year	<u>-</u>	<u>-</u>
	<u><u>\$ 1,193,005</u></u>	<u><u>\$ 403,225</u></u>

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due and strives to operate within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. Financial assets in excess of daily cash requirements may be invested in certificates of deposit, money market funds or other short-term investments.

The Organization receives significant grants and contributions restricted by funders and donors. The Organization considers grants and contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

Read Report of Independent Certified Public Accountants

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment at cost as of June 30, 2020 and 2019 were:

	<u>2020</u>	<u>2019</u>
Land and building	\$ 378,371	\$ 378,371
Equipment	<u>68,900</u>	<u>68,900</u>
Total property and equipment	447,271	447,271
Less accumulated depreciation	<u>(134,481)</u>	<u>(127,821)</u>
Net property and equipment	<u>\$ 312,790</u>	<u>\$ 319,450</u>

NOTE E – PAYCHECK PROTECTION PROGRAM

During the year ended June 30, 2020, the Organization obtained a Paycheck Protection Program loan under the CARES Act in the amount of \$373,628 to help keep the workforce employed during the COVID-19 crisis. The loan has a maturity of 2 years, an interest rate of 1%, and initial loan payments are deferred for ten months. The loan can be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. Management intends to fully comply with the forgiveness provisions and expects the loan to be forgiven in fiscal year 2021. The full amount of the loan is included in current liabilities in the accompanying statement of financial position. Upon notification of forgiveness, the Organization will recognize \$373,628 in grant revenue.

NOTE F – DONATED MATERIALS AND FACILITIES

In-kind donations totaled \$223,674, and \$360,385 for the years ended June 30, 2020 and 2019, respectively. In-kind expenses included in the accompanying statement of functional expenses are as follows:

<u>June 30, 2020</u>	<u>Child Abuse Crisis Program</u>	<u>SAVE</u>	<u>Healthy Families Program</u>	<u>Oral Health Education</u>	<u>Trauma Treatment Team</u>	<u>Admini-stration</u>	<u>Fund-raising</u>	<u>Total</u>
Rent	\$ -	\$ 7,776	\$ 121,645	\$ -	\$ -	\$ -	\$ -	\$ 129,421
Repairs & maintenance	-	-	6,000	-	-	-	-	6,000
Printing, postage & supplies	-	-	-	-	-	10,395	-	10,395
Program costs	15,009	258	33,612	1,949	16,780	-	-	67,608
Other expenses	-	-	-	-	-	3,500	6,750	10,250
Total	<u>\$ 15,009</u>	<u>\$ 8,034</u>	<u>\$ 161,257</u>	<u>\$ 1,949</u>	<u>\$ 16,780</u>	<u>\$ 13,895</u>	<u>\$ 6,750</u>	<u>\$ 223,674</u>

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE F – DONATED MATERIALS AND FACILITIES (continued)

June 30, 2019	Child Abuse Crisis Program	SAVE	Healthy Families Program	Oral Health Education	Trauma Treatment Team	Admini- stration	Fund- raising	Total
Rent	\$ -	\$ 7,425	\$ 299,442	\$ -	\$ -	\$ -	\$ -	\$ 306,867
Program costs	12,090	217	25,555	1,182	14,474	-	-	53,518
Total	<u>\$ 12,090</u>	<u>\$ 7,642</u>	<u>\$ 324,997</u>	<u>\$ 1,182</u>	<u>\$ 14,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360,385</u>

The majority of program costs in-kind received are new items such as clothing, shoes, and toiletries which are distributed directly to the children in the Organization's programs.

NOTE G – EMPLOYEE BENEFIT PLAN

The Organization has a 403(b) retirement plan which is a tax-deferred annuity for its employees. Effective April 1, 2019, employer contributions to the plan were suspended. No employer contributions were made to the plan for the years ended June 30, 2020 and 2019.

NOTE H – COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Organization has certain noncancellable operating leases for facilities expiring through August 31, 2023. Future minimum lease payments are as follows:

<u>Year ending June 30:</u>	
2021	\$ 140,932
2022	44,710
2023	36,741
2024	5,065

Rent expense in the statement of functional expenses consists of the following for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Facilities rent	\$ 129,421	\$ 138,807
Donated rent	<u>130,976</u>	<u>306,867</u>
	<u>\$ 260,397</u>	<u>\$ 445,674</u>

NOTE I – LINE OF CREDIT

The Organization has access to a Business Line of Credit with the same commercial bank it maintains its deposit accounts that allows it to borrow up to \$10,000 through MasterCard advances. Interest is payable monthly and had a rate of 10% and 12.25% at June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, the outstanding balance on the line of credit was \$0 and \$335, respectively and is included in accounts payable on the accompanying statement of financial position.

Read Report of Independent Certified Public Accountants

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE J – LONG-TERM DEBT

In June 2020, the Organization obtained an Economic Injury Disaster Loan (EIDL) from the U.S. Small Business Administration (SBA) in the amount of \$150,000 in response to the Coronavirus (COVID-19) pandemic. The loan has a maturity of 30 years with monthly loan payments of \$641, including interest of 2.75%. Initial loan payments are deferred for twelve months. The note is secured by all of the Organization's assets. Annual maturities of this debt are as follows:

<u>Year ending June 30:</u>	
2021	\$ -
2022	3,058
2023	3,221
2024	3,383
2025	3,546
Thereafter	<u>136,792</u>
	<u>\$ 150,000</u>

NOTE K – MATCH REQUIREMENT

The Organization receives funds under a grant from Healthy Families Florida, which requires a match of 25% of the contract award. For the years ended June 30, 2020 and 2019 this match requirement was met through cash and in-kind contributions as allowed under the grant. The Organization also receives funds through a grant from the State of Florida under the Victims of Crime Act (VOCA), which requires a match of 20% of the total VOCA project. For the years ended June 30, 2020 and 2019 this match was met through cash contributions as allowed under the grant.

NOTE L – SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen which may negatively impact revenue and support. The Organization has maintained their major grant contracts which is allowing them to continue to provide services to children and their families. As the Organization continues to evaluate its response and the community's response to COVID-19, there could be additional impact which is unknown at this time.

At the date of the financial statements, the PPP loan described in NOTE E to the financial statements was still under its calculation period. While the Organization believes it will meet the criteria for the loan's forgiveness, the amounts will continue to be included in deferred revenue until such forgiveness is determined by the lender.

Management has evaluated subsequent events through December 16, 2020, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION
AND
OTHER REPORTS**

PASCO KIDS FIRST, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Contract Number</i>	<i>Federal Expenditures</i>	<i>State Matching Funds for Federal Programs</i>	<i>Total Expenditures</i>
U.S. Department of Health and Human Services					
<i>Passed through Healthy Families Florida-Ounce of Prevention Fund of Florida, Inc.</i>					
Promoting Safe and Stable Families	93.556	HF-15-20-21	\$ 65,615	\$ 21,872	\$ 87,487
Total CFDA #93.556			65,615	21,872	87,487
Temporary Assistance for Needy Families (TANF)	93.558	HF-15-20-21	422,405	741,245	1,163,650
Total CFDA #93.558			422,405	741,245	1,163,650
<i>Passed through State of Florida Department of Health</i>					
Social Services Block Grant	93.667	CPX5B	193,394	-	193,394
Total CFDA #93.667			193,394	-	193,394
Total U.S. Department of Health and Human Services			681,414	763,117	1,444,531
U.S. Department of Housing and Urban Development					
<i>Passed through Pasco County, Florida</i>					
CDBG Entitlement Grants Cluster					
Community Development Block Grant	14.218		31,171	-	31,171
Total CDBG Entitlement Grants Cluster			31,171	-	31,171
Total U.S. Department of Housing and Urban Development			31,171	-	31,171
U.S. Department of Justice					
<i>Passed through State of Florida, Office of the Attorney General</i>					
Crime Victim Assistance	16.575	VOCA-2019-Pasco Kids First, Inc.-00368	333,488	-	333,488
Crime Victim Assistance	16.575	VOCA-2019-Pasco Kids First, Inc.-00462	120,548	-	120,548
Total CFDA #16.575			454,036	-	454,036
Total U.S. Department of Justice			454,036	-	454,036
U.S. Small Business Administration					
Disaster Assistance Loans	59.008	9064867800	150,000	-	150,000
Total CFDA #59.008			150,000	-	150,000
Economic Injury Disaster Loan Emergency Advance	59.072		10,000	-	10,000
Total CFDA #59.072			10,000	-	10,000
Total U.S. Small Business Administration			160,000	-	160,000
Total Expenditures of Federal Awards			\$ 1,326,621	\$ 763,117	\$ 2,089,738

Read Report of Independent Certified Public Accountants.
See Accompanying Notes to Schedule of Expenditures of Federal Awards.

PASCO KIDS FIRST, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Pasco Kids First, Inc. (the Organization) under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Pursuant to the Uniform Guidance, the Organization, as a sub-recipient of federal awards, has provided the name of the pass-through entity and the identifying description and number assigned by the pass-through entity when available from the pass-through entity. The Organization has provided the total federal awards expended for each individual federal program and the CFDA number or other identifying information when the CFDA information is not available. The Uniform Guidance does not require the Organization to provide this information, nor a breakdown of amounts awarded by CFDA number if that information is not available from the awarding agency.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Organization has elected to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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
Pasco Kids First, Inc.
New Port Richey, 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 Pasco Kids First, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and change in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2020.

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 of 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 Organization'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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Reeder & Associates, PA

Certified Public Accountants
December 16, 2020



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To Pasco Kids First, Inc.
New Port Richey, Florida

Report on Compliance for Each Major Federal Program

We have audited Pasco Kids First, Inc.'s (the Organization) 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 Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs 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 statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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 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. 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 programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Organization 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 Organization'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 Organization'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.

Reeder & Associates, PA

Certified Public Accountants
December 16, 2020

**PASCO KIDS FIRST, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the basic financial statements of Pasco Kids First, Inc. (the Organization) were prepared in accordance with GAAP.
2. No significant deficiencies were disclosed during the audit of the basic financial statements and no material weaknesses are reported.
3. No instances of noncompliance material to the basic financial statements of the Organization were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs and no material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for the Organization expresses an unmodified opinion on the major federal programs.
6. Audit findings that are required to be reported in accordance with 2CFR200.516(a) are reported in this schedule.
7. The federal programs tested as major programs were:

93.556 Promoting Safe and Stable Families	\$65,615
93.558 Temporary Assistance for Needy Families (State Programs)	\$422,405

8. The threshold for distinguishing Type A and Type B programs was \$750,000 for major federal awards programs.
9. The Organization was determined to be a low-risk auditee pursuant to Uniform Guidance.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS

NONE

D. OTHER ISSUES

NONE

E. PRIOR YEAR FINDINGS

NONE

ADDITIONAL SUPPLEMENTARY INFORMATION

PASCO KIDS FIRST, INC.
SCHEDULE OF EXPENDITURES OF STATE PROJECT AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract Number</u>	<u>State Expenditures</u>
State of Florida Office of the Attorney General			
<i>Passed through Florida Network of Children's Advocacy Centers, Inc.</i>			
Florida Network of Children's Advocacy Centers	41.031	19/20-GR-CAC-15	\$ 152,491
Total State of Florida Office of the Attorney General			<u>152,491</u>
State of Florida Department of Health			
Medical Services for Abused and Neglected Children	64.006	CPX5B	431,685
Medical Services for Abused and Neglected Children	64.006	CSBPA	<u>35,000</u>
Total State of Florida Department of Health			<u>466,685</u>
State of Florida Department of Highway Safety and Motor Vehicles			
<i>Passed through Florida Network of Children's Advocacy Centers, Inc.</i>			
Child Abuse Prevention and Intervention License Plate Project	76.067	19/20-LPVC-CAC-15	2,388
Florida Network of Children's Advocacy Centers Voluntary Contribution	76.123	19/20-LPVC-CAC-15	<u>746</u>
Total State of Florida Department of Highway Safety and Motor Vehicles			<u>3,134</u>
State of Florida Department of Children and Families			
<i>Passed through Florida Network of Children's Advocacy Centers, Inc.</i>			
Florida Network of Children's Advocacy Center Voluntary Contribution	60.124	19/20-DCF-CAC-15	<u>3,653</u>
Total State of Florida Department of Children and Families			<u>3,653</u>
Total Expenditures of State Project Awards			<u><u>\$ 625,963</u></u>

Read Report of Independent Certified Public Accountants.