

Form **CT-12**
For Oregon Charities
For Accounting Periods Beginning in:
2021

Charitable Activities Section
Oregon Department of Justice

100 SW Market Street
Portland, OR 97201-5702
Email: charitable@doj.state.or.us
Website: https://www.doj.state.or.us
VOICE (971) 673-1880
TTY (800) 735-2900
FAX (971) 673-1882
Line-by-line instructions for completing the annual report form can be found on our website.

You can now file reports and pay by credit card using our online form at
<https://justice.oregon.gov/paymentportal/Account/Login>

Section I. General Information

1. **Cross Through Incorrect Items and Correct Here:**
(See instructions for change of name or accounting period.)

Registration No # 17175	Registration #:
Kids and Company of Linn County dba Kidco Head Start 300 Market Street, Suite 200 Lebanon, OR 97355-2282	Organization Name:
541-451-1581	Address:
01/01/2021 12/31/2021	City, State, Zip:
	Phone:
	Email:
	Fax:
	Amended Report?
Period Beginning: / /	Period Ending: / / <input type="checkbox"/>

- 2. Did a certified public accountant audit your financial records? - If yes, attach a copy of the auditor's report, financial statements, accompanying notes, schedules, or other documents supplementing the report or financial statements. Yes No
- 3. Is the organization a party to a contract with a fundraising firm that relates to solicitations in Oregon? If yes, check the type of solicitations: in-person; direct mail; advertising; vending machine; telephone; or other solicitations. If yes, also write the name of the fundraising firm(s) here: _____ (If you checked "other solicitations", attach an explanation.) Yes No
- 4. Has the organization or any of its officers, directors, trustees, or key employees ever signed a voluntary agreement with any government agency or been a party to legal action in any court or administrative agency regarding charitable solicitation, administration, management, or fiduciary practices? If yes, attach explanation of each such agreement or action. See instructions. Yes No
- 5. During this reporting period, did the organization amend its articles of incorporation, bylaws, or trust documents, OR did the organization receive a determination or revocation letter from the Internal Revenue Service relating to its tax-exempt status? If yes, attach a copy of the amended document or letter. Yes No
- 6. Is the organization ceasing operations and is this the final report? (If yes, see instructions on how to close your registration.) Yes No
- 7. Provide contact information for the person responsible for retaining the organization's records.

Name	Position	Phone	Mailing Address & Email Address
Kerri Godinez	Finance Coordinator	971-361-4647	300 Market Street, Suite 200 Lebanon, OR 97355-2282 kgodinez@kidcoheadstart.org

8. List of Officers, Directors, Trustees and Key Employees – List each person who held one of these positions at any time during the year even if they did not receive compensation. Attach additional sheets if necessary. If an attached IRS form includes substantially the same compensation information, the phrase "See IRS Form" may be entered in lieu of completing this section. **(Oregon law requires a minimum of three directors for nonprofit public benefit corporations.)**

(A) Name, mailing address, daytime phone number and email address	(B) Title & average weekly hours devoted to position	(C) Compensation (enter \$0 if position unpaid)
Name: See attached IRS Form 990 Address: _____ Phone: (____) _____ Email: _____		
Name: _____ Address: _____ Phone: (____) _____ Email: _____		
Name: _____ Address: _____ Phone: (____) _____ Email: _____		

Section II. Fee Calculation

9.	Total Revenue..... (From Part I, Line 12 (current year) on Form 990; Line 9 on Form 990-EZ; Part I, Line 12a on Form 990-PF; or see the CT-12 instructions for how to calculate total revenue. Attach explanation if Total Revenue is \$0.)	9.	\$7,912,691.00																
10.	Revenue Fee..... (See chart below. Minimum fee is \$20, even if total revenue is \$0 or a negative amount.)	10.	\$400.00																
	<table border="1"> <thead> <tr> <th>Amount on Line 9</th> <th>Revenue Fee</th> </tr> </thead> <tbody> <tr> <td>\$0 - \$24,999</td> <td>\$20</td> </tr> <tr> <td>\$25,000 - \$49,999</td> <td>\$50</td> </tr> <tr> <td>\$50,000 - \$99,999</td> <td>\$90</td> </tr> <tr> <td>\$100,000 - \$249,999</td> <td>\$150</td> </tr> <tr> <td>\$250,000 - \$499,999</td> <td>\$200</td> </tr> <tr> <td>\$500,000 - \$999,999</td> <td>\$300</td> </tr> <tr> <td>\$1,000,000 or more</td> <td>\$400</td> </tr> </tbody> </table>	Amount on Line 9	Revenue Fee	\$0 - \$24,999	\$20	\$25,000 - \$49,999	\$50	\$50,000 - \$99,999	\$90	\$100,000 - \$249,999	\$150	\$250,000 - \$499,999	\$200	\$500,000 - \$999,999	\$300	\$1,000,000 or more	\$400		
Amount on Line 9	Revenue Fee																		
\$0 - \$24,999	\$20																		
\$25,000 - \$49,999	\$50																		
\$50,000 - \$99,999	\$90																		
\$100,000 - \$249,999	\$150																		
\$250,000 - \$499,999	\$200																		
\$500,000 - \$999,999	\$300																		
\$1,000,000 or more	\$400																		
11.	Net Assets or Fund Balances at End of the Reporting Period..... (From Part I, Line 22 (end of year) on Form 990; Line 21 on Form 990-EZ, or Part III, Line 6 on Form 990-PF; or see the CT-12 instructions to calculate. Attach explanation if amount is \$0 or a negative number.)	11.	\$3,770,422.00																
12.	Net Fixed Assets Used to Conduct Charitable Activities..... (Generally, from Part X, Line 10c on Form 990; Line 23B and possibly 24B on Form 990-EZ, or Part II, Line 14b on Form 990-PF; or see the CT-12 instructions to calculate. See the CT-12 instructions if organization owns income-producing assets.)	12.	\$3,703,066.00																
13.	Amount Subject to Net Assets or Fund Balances Fee..... (Line 11 minus Line 12. If Line 11 minus Line 12 is less than \$50,000, write \$0.)	13.	\$67,356.00																
14.	Net Assets or Fund Balances Fee..... (Line 13 multiplied by .0001. If the fee is less than \$5, enter \$0. Not to exceed \$2,000. Round cents to the nearest whole dollar.)	14.	\$7.00																
15.	Are you filing this report late? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No..... (If yes, the late fee is a minimum of \$20. You may owe more depending on how late the report is. See Instruction 15 for additional information or contact the Charitable Activities Section at (971) 673-1880 to obtain late fee amount.)	15.	\$0.00																
16.	Total Amount Due..... (Add Lines 10, 14, and 15. Make check payable to the Oregon Department of Justice.)	16.	\$407.00																
17.	Attach a copy of the organization's federal 990 or other return and all supporting schedules and attachments that were filed with the IRS, except that Form 990 & 990EZ filers do not need to attach a copy of their Schedule B. Also, if the organization did not file with the IRS or filed a 990-N, but had Total Revenue of \$50,000 or more, or Net Assets or Fund Balances of \$100,000 or more, see the instructions. Such organizations may be required to complete certain IRS forms for Oregon purposes only. If the attached return was not filed with the IRS, then mark any such return as "For Oregon Purposes Only." If your organization files IRS Form 990-N (e-Postcard) please attach a copy if available.																		

Please Sign Here

Under penalties of perjury, I declare that I am an officer/director of the organization. I have examined this return, including all accompanying forms, schedules, and attachments, and to the best of my knowledge and belief, it is true, correct, and complete.

⇒ Stephany Koehne
Signature of officer
Stephany Koehne
Officer's name (printed)

08/02/2022
Date

Executive Director
Title

300 Market Street Suite 200 Lebanon, OR 97355-2282
Address

541-451-1581
Phone

Paid Preparer's Use Only

⇒ Debra Smith, CPA
Preparer's signature
Debi Smith, Aldrich CPAs and Advisors, LLP
Preparer's name (printed)

7.28.2022
Date

(503)-585-7774
Phone

680 Hawthorne Avenue SE # 140, Salem, OR 97301-5096
Address

Line-by-line instructions for completing the annual report form can be found at <https://www.doj.state.or.us/charitable-activities/annual-reporting-for-charities/file-your-annual-report>. If you click the appropriate link for this year's form, the instructions are included in that document. If you would like us to send a copy of the instructions, please call us at 971-673-1880 or send an email to charitable@doj.state.or.us.

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2021

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

A For the **2021** calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization KIDS & COMPANY OF LINN COUNTY		D Employer identification number 93-0687438
	Doing business as KIDCO HEAD START		E Telephone number 541-451-1581
	Number and street (or P.O. box if mail is not delivered to street address) 300 MARKET ST.	Room/suite 200	G Gross receipts \$ 7,912,691.
	City or town, state or province, country, and ZIP or foreign postal code LEBANON, OR 97355		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions H(c) Group exemption number ▶
F Name and address of principal officer: STEPHANY KOEHNE SAME AS C ABOVE			
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)() (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: WWW.KIDCOHEADSTART.ORG			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1977 M State of legal domicile: OR

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: PROVIDE COMPREHENSIVE PRESCHOOL PROGRAM THAT ENHANCES CHILDREN'S DEVELOPMENT & SUPPORTS FAMILIES.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	6
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	6
	5 Total number of individuals employed in calendar year 2021 (Part V, line 2a)	5	120
	6 Total number of volunteers (estimate if necessary)	6	47
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 6,541,639.	Current Year 7,891,412.
	9 Program service revenue (Part VIII, line 2g)	0.	0.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	375.	25.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,498.	21,254.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,547,512.	7,912,691.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	5,100,349.	6,326,121.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,451,950.	1,593,380.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	6,552,299.	7,919,501.
19 Revenue less expenses. Subtract line 18 from line 12	-4,787.	-6,810.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 4,383,196.	End of Year 4,383,179.
	21 Total liabilities (Part X, line 26)	500,364.	612,757.
	22 Net assets or fund balances. Subtract line 21 from line 20	3,882,832.	3,770,422.

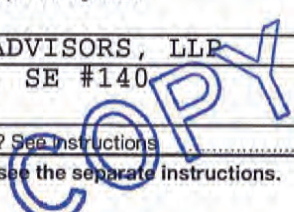
Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date
	STEPHANY KOEHNE, EXECUTIVE DIRECTOR Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶ ALDRICH CPAS AND ADVISORS, LLP		07/28/22		
	Firm's address ▶ 680 HAWTHORNE AVE. SE #140 SALEM, OR 97301				Firm's EIN ▶
					Phone no. (503) 585-7774

May the IRS discuss this return with the preparer shown above? See instructions Yes No



Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III []

1 Briefly describe the organization's mission: THE HEAD START PROGRAM PROVIDES A COMPREHENSIVE EARLY CHILDHOOD DEVELOPMENT AND EDUCATION SERVICES FOR PRESCHOOL CHILDREN AND THEIR FAMILIES WHO ARE FURTHEST FROM OPPORTUNITY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 7,170,530. including grants of \$) (Revenue \$) THE ORGANIZATION OPERATES A REGIONAL HEAD START PROGRAM, IN LINN & BENTON COUNTIES, OREGON, THAT IS FUNDED BY A DEPARTMENT OF HEALTH AND HUMAN SERVICES GRANT, AN OREGON DEPARTMENT OF EDUCATION- ELD GRANT, AND LOCAL COMMUNITY CONTRIBUTIONS. GRANTS ARE USED FOR THE HEAD START PROGRAM BENEFITTING A POPULATION OF APPROXIMATELY 500 CHILDREN ANNUALLY (FUNDED ENROLLMENT OF 408, TOTAL NUMBER IS ABOVE THIS DUE TO DROPS AND CHILDREN ADDED TO REPLACE CHILDREN DROPPED). SERVICES INCLUDE EARLY LEARNING EDUCATION FOR THE CHILDREN AND FAMILY SERVICES, INCLUDING RESOURCE REFERRALS, GOAL SETTING/SKILL TRAINING, AND CRISIS MANAGEMENT, FOR THE ADULTS.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe on Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 7,170,530.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors? See instructions	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V.</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII.</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional.</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV.</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV.</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I. See instructions.</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H.</i>		X
b <i>If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?</i>		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? If "Yes," complete Schedule L, Part IV		X
b A family member of any individual described in line 28a? If "Yes," complete Schedule L, Part IV		X
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19?		
Note: All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No columns. Includes questions 2a through 17 regarding employee counts, tax filings, and organizational activities.

Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

	1a	1b	2	3	4	5	6	7a	7b	8a	8b	9	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	6													
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.														
b Enter the number of voting members included on line 1a, above, who are independent		6												
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			X											
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?														X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?														X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?														X
6 Did the organization have members or stockholders?														X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?														X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?														X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:														
a The governing body?										X				
b Each committee with authority to act on behalf of the governing body?										X				
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O														X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	10a	10b	11a	12a	12b	12c	13	14	15a	15b	16a	16b	Yes	No
10a Did the organization have local chapters, branches, or affiliates?														X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?														
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?			X											
b Describe on Schedule O the process, if any, used by the organization to review this Form 990.														
12a Did the organization have a written conflict of interest policy? If "No," go to line 13				X										
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?				X										
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done						X								
13 Did the organization have a written whistleblower policy?							X							
14 Did the organization have a written document retention and destruction policy?								X						
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?														
a The organization's CEO, Executive Director, or top management official									X					
b Other officers or key employees of the organization									X					
If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.														
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?														X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?														

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **OR**
- 18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records **▶**
KERRI GODINEZ - 971-361-4647
300 MARKET ST., SUITE 200, LEBANON, OR 97355-2282

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Input box

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees... List all of the organization's current key employees... List the organization's five current highest compensated employees... List all of the organization's former officers, key employees, and highest compensated employees... List all of the organization's former directors or trustees...

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Subtotal							152,958.	0.	0.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							152,958.	0.	0.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	7,886,412.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	5,000.			
	g	Noncash contributions included in lines 1a-1f	1g \$				
	h	Total. Add lines 1a-1f		7,891,412.			
Program Service Revenue	2 a		Business Code				
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f					
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		25.		25.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross rents	6a	(i) Real			
				(ii) Personal			
	b	Less: rental expenses	6b				
	c	Rental income or (loss)	6c				
	d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	7a	(i) Securities			
				(ii) Other			
	b	Less: cost or other basis and sales expenses	7b				
	c	Gain or (loss)	7c				
	d	Net gain or (loss)					
8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a					
b	Less: direct expenses	8b					
c	Net income or (loss) from fundraising events						
9 a	Gross income from gaming activities. See Part IV, line 19	9a					
b	Less: direct expenses	9b					
c	Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances	10a					
b	Less: cost of goods sold	10b					
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue	11 a	INSURANCE DIVIDENDS	Business Code 900099	18,416.		18,416.	
	b	OTHER INCOME	900099	2,838.		2,838.	
	c						
	d	All other revenue					
	e	Total. Add lines 11a-11d		21,254.			
12	Total revenue. See instructions		7,912,691.	0.	0.	21,279.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	152,959.	24,185.	128,774.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	4,112,699.	3,843,060.	269,639.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	207,308.	187,945.	19,363.	
9 Other employee benefits	1,338,053.	1,213,079.	124,974.	
10 Payroll taxes	515,102.	466,991.	48,111.	
11 Fees for services (nonemployees):				
a Management				
b Legal	1,710.		1,710.	
c Accounting	62,285.		62,285.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	58,094.	29,582.	28,512.	
12 Advertising and promotion	95,580.	86,652.	8,928.	
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	245,245.	228,272.	16,973.	
17 Travel	818.	752.	66.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	172,330.	156,234.	16,096.	
23 Insurance	80,607.	72,319.	8,288.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a CLASSROOM SUPPLIES	352,550.	352,550.	0.	0.
b SUPPLIES	154,431.	144,883.	9,548.	0.
c REPAIRS & MAINTENANCE	148,820.	148,820.	0.	0.
d FOOD	95,292.	95,292.	0.	0.
e All other expenses	125,618.	119,914.	5,704.	
25 Total functional expenses. Add lines 1 through 24e	7,919,501.	7,170,530.	748,971.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	364,891.	1	167,143.
	2	Savings and temporary cash investments	21,872.	2	21,872.
	3	Pledges and grants receivable, net	113,999.	3	425,306.
	4	Accounts receivable, net		4	
	5	Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	42,248.	9	65,792.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 6,214,253.		
	b	Less: accumulated depreciation	10b 2,511,187.		
	11	Investments - publicly traded securities	3,840,186.	10c	3,703,066.
	12	Investments - other securities. See Part IV, line 11		11	
	13	Investments - program-related. See Part IV, line 11		12	
	14	Intangible assets		13	
	15	Other assets. See Part IV, line 11		14	
16	Total assets. Add lines 1 through 15 (must equal line 33)	4,383,196.	15	4,383,179.	
Liabilities	17	Accounts payable and accrued expenses	500,364.	16	4,383,179.
	18	Grants payable		17	612,757.
	19	Deferred revenue		18	
	20	Tax-exempt bond liabilities		19	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		20	
	22	Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		21	
	23	Secured mortgages and notes payable to unrelated third parties		22	
	24	Unsecured notes and loans payable to unrelated third parties		23	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		24	
	26	Total liabilities. Add lines 17 through 25	500,364.	25	612,757.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.				
	27	Net assets without donor restrictions	3,882,832.	26	3,882,832.
	28	Net assets with donor restrictions		27	3,770,422.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.				
	29	Capital stock or trust principal, or current funds		28	
	30	Paid-in or capital surplus, or land, building, or equipment fund		29	
	31	Retained earnings, endowment, accumulated income, or other funds		30	
32	Total net assets or fund balances	3,882,832.	31	3,770,422.	
33	Total liabilities and net assets/fund balances	4,383,196.	32	4,383,179.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	7,912,691.
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,919,501.
3	Revenue less expenses. Subtract line 2 from line 1	3	-6,810.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	3,882,832.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	-105,600.
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	3,770,422.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits	X	

Form 990 (2021)

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization KIDS & COMPANY OF LINN COUNTY	Employer identification number 93-0687438
--	---

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	7,653,449.	6,766,030.	7,424,683.	6,541,639.	7,891,412.	36,277,213.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	7,653,449.	6,766,030.	7,424,683.	6,541,639.	7,891,412.	36,277,213.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						36,277,213.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
7 Amounts from line 4	7,653,449.	6,766,030.	7,424,683.	6,541,639.	7,891,412.	36,277,213.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	186.	5,043.	281.	375.	25.	5,910.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)		6,566.	9,892.	5,498.	21,254.	43,210.
11 Total support. Add lines 7 through 10						36,326,333.
12 Gross receipts from related activities, etc. (see instructions)					12	13,004.
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f))	14	99.86 %
15 Public support percentage from 2020 Schedule A, Part II, line 14	15	99.92 %
16a 33 1/3% support test - 2021. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input checked="" type="checkbox"/>	
b 33 1/3% support test - 2020. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>	

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

15 Public support percentage for 2021 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2020 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2021 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2020 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2021. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2020. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer lines 3b and 3c below.		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.		
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI.		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? If "Yes," complete Part I of Schedule L (Form 990).		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI.		
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI.		
c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI.		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer line 10b below.		
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?		
b A family member of a person described on line 11a above?		
c A 35% controlled entity of a person described on line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).		
2 Activities Test. Answer lines 2a and 2b below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.		
b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
3 Parent of Supported Organizations. Answer lines 3a and 3b below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? If "Yes" or "No" provide details in Part VI.		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). See instructions.
All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	

7 Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations *(continued)*

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2021 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2021	(iii) Distributable Amount for 2021
1	Distributable amount for 2021 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2021 (reasonable cause required - <i>explain in Part VI</i>). See instructions.		
3	Excess distributions carryover, if any, to 2021		
a	From 2016		
b	From 2017		
c	From 2018		
d	From 2019		
e	From 2020		
f	Total of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2021 distributable amount		
i	Carryover from 2016 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2021 from Section D, line 7:		
a	Applied to underdistributions of prior years		
b	Applied to 2021 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2021, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.		
6	Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.		
7	Excess distributions carryover to 2022. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2017		
b	Excess from 2018		
c	Excess from 2019		
d	Excess from 2020		
e	Excess from 2021		

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

[A series of horizontal lines for supplemental information.]

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990 or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Name of the organization

KIDS & COMPANY OF LINN COUNTY

Employer identification number

93-0687438

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

Name of organization KIDS & COMPANY OF LINN COUNTY	Employer identification number 93-0687438
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ <u>4,462,191.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2		\$ <u>3,178,747.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization KIDS & COMPANY OF LINN COUNTY	Employer identification number 93-0687438
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div>	\$ _____	_____

Name of organization **KIDS & COMPANY OF LINN COUNTY** Employer identification number **93-0687438**

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization

KIDS & COMPANY OF LINN COUNTY

Employer identification number

93-0687438

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (for example, recreation or education) Preservation of a historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2021

132051 10-28-21

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Term endowment _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|--------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		240,129.		240,129.
b Buildings		3,105,203.	697,767.	2,407,436.
c Leasehold improvements		1,355,082.	529,955.	825,127.
d Equipment		378,050.	296,329.	81,721.
e Other		1,135,789.	987,136.	148,653.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				3,703,066.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII.

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	8,116,719.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b	204,028.	
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e	204,028.	
3	Subtract line 2e from line 1	3	7,912,691.	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c	0.	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	7,912,691.	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	8,123,529.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a	204,028.	
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e	204,028.	
3	Subtract line 2e from line 1	3	7,919,501.	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c	0.	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	7,919,501.	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

KIDCO RECOGNIZES A LIABILITY FOR UNRECOGNIZED TAX BENEFITS WHEN FACTS AND CIRCUMSTANCES INDICATE THAT AN UNCERTAIN TAX POSITION IS MORE LIKELY THAN NOT TO BE OVERTURNED BY A TAXING AUTHORITY UPON EXAMINATION. KIDCO RECOGNIZES ACCRUED INTEREST AND PENALTIES ASSOCIATED WITH UNCERTAIN TAX POSITIONS, IF ANY, AS PART OF THE INCOME TAX PROVISION. THERE WERE NO UNRECOGNIZED INCOME TAX BENEFITS, NOR ANY INTEREST AND PENALTIES ASSOCIATED WITH UNRECOGNIZED TAX BENEFITS, ACCRUED OR EXPENSED AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020 RESPECTIVELY.

Part XIII Supplemental Information (continued)

Blank lined area for supplemental information.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

KIDS & COMPANY OF LINN COUNTY

Employer identification number

93-0687438

FORM 990, PART VI, SECTION A, LINE 2:

PAT SMITH AND KAY SMITH HAVE A FAMILY RELATIONSHIP.

FORM 990, PART VI, SECTION B, LINE 11B:

A COPY OF FORM 990 IS PROVIDED TO, AND REVIEWED BY, THE EXECUTIVE DIRECTOR,
FINANCE DIRECTOR, AND BOARD OF DIRECTORS PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C:

THE BOARD OF DIRECTORS REVIEWS THE CONFLICT OF INTEREST POLICY ANNUALLY AND
SIGN A DOCUMENT STATING THAT THEY ARE AWARE OF AND WILL ADHERE TO THE
POLICY. ANY INDIVIDUAL THAT HAS AN ACTUAL OR PERCEIVED CONFLICT OF INTEREST
REFRAINS FROM DISCUSSING AND VOTING ON RELATED MATTERS. ALL EMPLOYEES ARE
ALSO REQUIRED TO ADHERE TO THE ORGANIZATION'S WRITTEN CONFLICT OF INTEREST
POLICY AND MUST SIGN A CONFLICT OF INTEREST DOCUMENT STATING THAT THERE ARE
AWARE OF THE POLICY AND AGREE TO COMPLY WITH IT.

FORM 990, PART VI, SECTION B, LINE 15:

THE OREGON HEAD START ASSOCIATION (OHSA) CONDUCTS A WAGE COMPARABILITY
STUDY OF ALL POSITIONS INCLUDING TOP OFFICIALS. DATA RECEIVED FROM HEAD
START ORGANIZATIONS AND OTHER NON-PROFIT AGENCIES IN OREGON ARE COMPILED BY
AN OUTSIDE CONTRACTED AGENCY AND A REPORT IS ISSUED ONCE EVERY TWO YEARS.
AFTER KIDCO HEAD START RECEIVES THE REPORT, IT IS REVIEWED BY THE HUMAN
RESOURCES COMMITTEE AND REPORTED TO THE BOARD OF DIRECTORS. THE BOARD OF
DIRECTORS CONDUCTS A PERFORMANCE REVIEW OF THE EXECUTIVE DIRECTOR ANNUALLY.

CHANGES IN THE SALARY SCALE ARE ESTABLISHED BY THE EXECUTIVE DIRECTOR AND

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990) 2021

132211 11-11-21

Name of the organization

KIDS & COMPANY OF LINN COUNTY

Employer identification number
93-0687438

APPROVED BY THE BOARD OF DIRECTORS DURING THE ANNUAL BUDGETING PROCESS.
CASCADE EMPLOYERS CONSULTING FIRM UNDERTOOK A MULTI-YEAR WAGE COMPARISON
STUDY FOR KIDS & COMPANY, WITH RECOMMENDATIONS ON DECOMPRESSING THE SALARY
SCALE AND GETTING POSITIONS TO AT LEAST 80 PERCENT OF MARKET, WITH THEIR
RECOMMENDATIONS PUT INTO PRACTICE.

FORM 990, PART VI, SECTION C, LINE 18:

THE ORGANIZATION'S FORM 990 IS AVAILABLE ON THE ORGANIZATION'S WEBSITE AT
WWW.KIDCOHEADSTART.ORG/ABOUT.HTML AND GUIDESTAR'S WEBSITE AT
WWW.GUIDESTAR.ORG. IN ADDITION THE ORGANIZATION'S GOVERNING DOCUMENTS AND
FORM 990 ARE AVAILABLE UPON REQUEST.

FORM 990, PART VI, SECTION C, LINE 19:

AVAILABLE UPON REQUEST; GOVERNING MEETING AGENDAS AND MEETING MINUTES ARE
POSTED ON THE WEBSITE.

Kids and Company of Linn County

Financial Statements and Supplemental Information

Years Ended December 31, 2021 and 2020

COPY



KIDS AND COMPANY OF LINN COUNTY
Financial Statements and Supplemental Information
Years Ended December 31, 2021 and 2020

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8
Supplemental Information:	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	16
Schedule of Expenditures of Federal Awards	18
Notes to Schedule of Expenditures of Federal Awards	19
Schedule of Findings and Questioned Costs	20
Summary Schedule of Prior Audit Findings	23
Corrective Action Plan	24



Aldrich CPAs + Advisors LLP
680 Hawthorne Ave. SE #140
Salem, Oregon 97301

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kids and Company of Linn County
Lebanon, Oregon

Opinion

We have audited the accompanying financial statements of Kids and Company of Linn County (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kids and Company of Linn County as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT, CONTINUED

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

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

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

Change in Prior Period Financial Statements

As discussed in Note 10 to the financial statements, Kids and Company of Linn County has adjusted its 2020 financial statements to correct an error in accumulated depreciation and beginning net assets. This restatement decreased beginning assets and beginning net assets without donor restrictions by \$105,600 as of January 1, 2020. Our opinion is not modified with respect to that matter.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 US, *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 June 22, 2022, on our consideration of Kids and Company of Linn County'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 Kids and Company of Linn County'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 Kids and Company of Linn County's internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

Salem, Oregon
June 22, 2022

KIDS AND COMPANY OF LINN COUNTY
Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 167,143	\$ 364,891
Investments	21,872	21,872
Grants receivable	425,306	113,999
Prepaid expenses	65,792	42,248
Property and equipment, net of accumulated depreciation	<u>3,703,066</u>	<u>3,734,586</u>
Total Assets	<u>\$ 4,383,179</u>	<u>\$ 4,277,596</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 196,852	\$ 91,332
Accrued expenses	<u>415,905</u>	<u>409,032</u>
Total Liabilities	612,757	500,364
Net Assets:		
Without donor restrictions	<u>3,770,422</u>	<u>3,777,232</u>
Total Liabilities and Net Assets	<u>\$ 4,383,179</u>	<u>\$ 4,277,596</u>

KIDS AND COMPANY OF LINN COUNTY**Statements of Activities**

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue and Other Support Without Donor Restrictions:		
Grant and contributions	\$ 7,886,412	\$ 6,534,389
In-kind contributions	204,028	713,514
Miscellaneous	<u>26,279</u>	<u>13,123</u>
Total Revenue and Other Support Without Donor Restrictions	8,116,719	7,261,026
Expenses:		
Program services	7,368,531	6,709,948
Management and general	<u>754,998</u>	<u>555,865</u>
Total Expenses	<u>8,123,529</u>	<u>7,265,813</u>
Change in Net Assets	(6,810)	(4,787)
Net Assets Without Donor Restrictions, beginning (as previously stated)	3,777,232	3,887,619
Restatement (Note 10)	<u>-</u>	<u>(105,600)</u>
Net Assets Without Donor Restrictions, beginning (restated)	<u>3,777,232</u>	<u>3,782,019</u>
Net Assets Without Donor Restrictions, ending	\$ <u><u>3,770,422</u></u>	\$ <u><u>3,777,232</u></u>

See accompanying notes to financial statements.

KIDS AND COMPANY OF LINN COUNTY
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Management and General	Total
Payroll and benefits	\$ 5,757,914	\$ 593,194	\$ 6,351,108
Classroom supplies	352,550	-	352,550
Rent	327,560	9,971	337,531
Depreciation	156,234	16,096	172,330
Supplies	144,883	9,548	154,431
Repairs and maintenance	148,820	-	148,820
Telephone and utilities	98,713	13,029	111,742
Office	86,652	8,928	95,580
Food	95,291	-	95,291
Training	81,204	4,420	85,624
Professional services	5,275	79,718	84,993
Insurance	72,319	8,288	80,607
Other	27,148	1,285	28,433
Consultants	1,654	10,455	12,109
Child medical and dental	11,562	-	11,562
Travel	752	66	818
	<u>\$ 7,368,531</u>	<u>\$ 754,998</u>	<u>\$ 8,123,529</u>

KIDS AND COMPANY OF LINN COUNTY
Statement of Functional Expenses
Year Ended December 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Payroll and benefits	\$ 4,818,175	\$ 301,661	\$ 5,119,836
Classroom supplies	45,256	-	45,256
Rent	831,834	10,513	842,347
Depreciation	171,548	14,917	186,465
Supplies	213,619	15,932	229,551
Repairs and maintenance	180,150	715	180,865
Telephone and utilities	79,724	20,776	100,500
Office	69,501	6,899	76,400
Food	73,121	-	73,121
Training	71,385	6,207	77,592
Professional services	13,103	55,982	69,085
Insurance	82,449	7,253	89,702
Other	18,277	483	18,760
Consultants	18,362	112,372	130,734
Child medical and dental	7,800	-	7,800
Travel	15,644	2,103	17,747
Interest expense	-	52	52
	<u>\$ 6,709,948</u>	<u>\$ 555,865</u>	<u>\$ 7,265,813</u>

See accompanying notes to financial statements.

KIDS AND COMPANY OF LINN COUNTY**Statements of Cash Flows**

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (6,810)	\$ (4,787)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	172,330	186,465
Change in assets and liabilities:		
Grants receivable	(311,307)	97,306
Prepaid expenses	(23,544)	(5,088)
Accounts payable	56,989	53,671
Accrued expenses	<u>6,873</u>	<u>3,093</u>
Net Cash Provided (Used) by Operating Activities	(105,469)	330,660
Cash Flows from Investing Activities:		
Property and equipment purchases	(92,279)	(55,180)
Purchases of investments	<u>-</u>	<u>(323)</u>
Net Cash Used by Investing Activities	<u>(92,279)</u>	<u>(55,503)</u>
Net Increase (Decrease) in Cash	(197,748)	275,157
Cash, beginning of year	<u>364,891</u>	<u>89,734</u>
Cash, end of year	\$ <u><u>167,143</u></u>	\$ <u><u>364,891</u></u>
Supplemental Disclosure of Noncash Investing and Financing Activities:		
Construction in progress accrued but unpaid at year-end	\$ <u><u>48,531</u></u>	\$ <u><u>-</u></u>

See accompanying notes to financial statements.

KIDS AND COMPANY OF LINN COUNTY

Notes to Financial Statements

Years Ended December 31, 2021 and 2020

Note 1 - Organization

Kids and Company of Linn County (Kidco), in operation since 1977, is a nonprofit, 501(c)(3) organization that is incorporated under the laws of the State of Oregon. The primary activity is the operation of regional Head Start and Early Head Start programs in Linn, Benton, and Marion Counties, Oregon, that are funded by Department of Health and Human Services grants, an Oregon Department of Education grant, and local community contributions. The grants are used for full and part-day Head Start and Early Head Start programs that follow the school year benefiting a population of approximately 400 children. The Head Start program provides comprehensive early childhood development and education services for disadvantaged preschool children and their families.

Note 2 - Summary of Significant Accounting Policies

Financial Statement Presentation

The financial statements of Kidco have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which requires Kidco to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Kidco. These net assets may be used at the discretion of Kidco's management and the Board of Directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Kidco did not have any net assets with donor restrictions as of December 31, 2021 and 2020.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Kidco's financial instruments, none of which are held for trading purposes, include cash, accounts receivable, and accounts payable. Kidco estimates that the fair value of all of these non-derivative financial instruments, at December 31, 2021 and 2020, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position.

Cash

Kidco maintains cash accounts at various financial institutions. The balances at times may exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at each financial institution are insured by the FDIC up to \$250,000.

KIDS AND COMPANY OF LINN COUNTY

Notes to Financial Statements

Years Ended December 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies, continued

Investments

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.

Level 3 inputs are unobservable inputs for the investment.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Realized and unrealized gains and losses are included in the change in net assets in the statement of activities and changes in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restriction if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Grants Receivable

Grants receivable, less allowance for uncollectible amounts, are recognized as revenues in the period the revenue is earned. The allowance is an estimate based on management's knowledge of historical collection rates and current economic conditions. At December 31, 2021 and 2020, management has deemed all amounts collectible; therefore, no allowance was established for the years then ended.

Property and Equipment

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their estimated fair market values on the dates of donation. Donations of equipment with no donor-imposed time restrictions are reported as support without donor restriction. Purchases exceeding \$5,000 with useful lives in excess of one year are capitalized and depreciated using the straight-line method over their estimated useful lives, ranging from 5 to 39 years. Gains and losses on disposal of property and equipment are recorded in the period incurred.

Revenue Recognition

Kidco recognizes revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which Kidco expects to be entitled in exchange for those goods or services.

Revenues for Kidco primarily consist of grants awarded by federal and state agencies. Management has determined that these sources of revenue are most appropriately classified as conditional contributions, and therefore, revenue is recognized as conditions are met, which is typically when services are performed.

Grants and Contributions - Grants and other contributions of cash are reported as support without donor restriction unless those amounts are received with donor restrictions that limit use. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), the net assets with donor restrictions are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restriction. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

KIDS AND COMPANY OF LINN COUNTY

Notes to Financial Statements

Years Ended December 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

In-kind Contributions - In-kind contributions represents estimated market value of the facilities that are provided to Kidco for program activities at below market value. For the year ended December 31, 2020, the value was determined based on the estimated cost of providing the programs in these facilities, as the agreements require that Kidco provide their Head Start programs in property owner's facilities. For the year ended December 31, 2021, it was determined that the cost of providing the programs was in excess of the market value and, thus, the value was determined by calculating a value per square foot of a comparable, commercially available rental space and applying that rate to each rented facilities' square footage. If this methodology had been applied for the year ended December 31, 2020, the total in-kind revenue and expense would have been approximately \$109,000 with no impact to ending net assets.

Volunteer assistance received by the Kidco Head Start program is required as a part of a matching requirement under the Department of Health and Human Services grant. These volunteer services are not recognized in the accompanying financial statements because the criteria for recording these contributed services under US GAAP has not been met.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, costs incurred in direct relation to each function have been recorded as such, while other costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll and benefits	Time and effort
Depreciation	Usage
Travel	Staff allocation

Income Taxes

Kidco is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Kidco has no significant unrelated business income subject to taxation. Consequently, there is no provision for income taxes.

Kidco recognizes a liability for unrecognized tax benefits when facts and circumstances indicate that an uncertain tax position is more likely than not to be overturned by a taxing authority upon examination. Kidco recognizes accrued interest and penalties associated with uncertain tax positions, if any, as part of the income tax provision. There were no unrecognized income tax benefits, nor any interest and penalties associated with unrecognized tax benefits, accrued or expensed as of and for the years ended December 31, 2021 and 2020, respectively.

Subsequent Events

Management has evaluated subsequent events through June 22, 2022, the date the financial statements were available to be issued.

KIDS AND COMPANY OF LINN COUNTY

Notes to Financial Statements

Years Ended December 31, 2021 and 2020

Note 3 - Availability and Liquidity of Assets

Kidco is a single-purpose non-profit that is substantially supported by federal and state funds. Because funds are specifically designated to run the Head Start program and must be spent out within each fiscal year, the ability to maintain a carry-over surplus is very limited. The investments are part of the reserve fund established that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside typical operations, available for general use within one year.

	2021	2020
Cash	\$ 167,143	\$ 364,891
Investments	21,872	21,872
Grants receivable	425,306	113,999
Liquid assets available to meet general expenditures within one year	<u>\$ 614,321</u>	<u>\$ 500,762</u>

Note 4 - Investments and Fair Market Value

The following tables set forth, by level within the hierarchy, Kidco's investments at fair value:

Assets at Fair Value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Certificates of deposits	\$ -	\$ 21,872	\$ -	\$ 21,872

Assets at Fair Value as of December 31, 2020				
	Level 1	Level 2	Level 3	Total
Certificates of deposits	\$ -	\$ 21,872	\$ -	\$ 21,872

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020. Certificates of deposit are valued at cost plus accrued interest, which approximates fair value.

Note 5 - Property and Equipment

Property and equipment as of December 31, 2021 and 2020 consists of the following:

	2021	2020
Land	\$ 240,128	\$ 240,128
Buildings and improvements	4,460,284	4,435,044
Vehicles	1,042,048	1,042,048
Playground equipment	131,908	121,058
Office equipment	45,556	34,578
Kitchen equipment	200,588	200,588
Construction in progress	93,741	-
Total property and equipment	6,214,253	6,073,444
Less accumulated depreciation	(2,511,187)	(2,338,858)
Property and equipment, net	<u>\$ 3,703,066</u>	<u>\$ 3,734,586</u>

Depreciation expense was \$172,330 and \$186,465 for the years ended December 31, 2021 and 2020, respectively.

KIDS AND COMPANY OF LINN COUNTY

Notes to Financial Statements

Years Ended December 31, 2021 and 2020

Note 6 - Defined Contribution Retirement Plan

Kidco established a 403(b) pension plan for full-time employees who meet minimum service requirements. The contribution percentage for all eligible employees is 3% of the employee's salary, regardless of whether or not the employee contributes to the pension plan. In addition, Kidco matches 50% of employee deferrals up to 2% of employee salaries. Effective July 1, 2007, after an employee has been employed for 18 years, Kidco increases its matching percentage by one-half of one percent each year, capping at 26 years of service. Contributions to the pension plan amounted to \$207,308 and \$130,882 for the years ended December 31, 2021 and 2020, respectively. During the year ended December 31, 2021, Kidco adjusted the eligibility requirements for plan participants to allow all employees with 20 hours or more per week to participate. Further, the plan was adjusted to remove all loans, with the exception of hardship loans.

Note 7 - Operating Leases

There are leased facilities under various operating agreements in Linn and Benton Counties. Monthly rental payments range from \$184 to \$8,195 and expire between June 2022 and August 2023. Rent expense for the year ended December 31, 2021 totaled \$337,531 which includes in-kind rent amounting to \$204,028. Rent expense for the year ended December 31, 2020 totaled \$842,347, which includes in-kind rent amounting to \$713,514. As of December 31, 2021, minimum future lease payments are as follows:

Year Ending December 31,

2022	\$	124,781
2023		74,961
	\$	<u>199,742</u>

Note 8 - Concentrations and Contingencies

Kidco receives a substantial amount of its funding from government sources, principally passed through federal and state agencies. During the year ended December 31, 2021, 97% of Kidco's revenue was received from three government agencies (91% from three government agencies during the year ended December 31, 2020). As of December 31, 2021, 99% of the grants receivable are from these three agencies (100% from two of these agencies as of December 31, 2020).

Certain amounts received under contracts with various state and federal agencies are subject to audit and adjustment by the contracting agencies. Any expenditures or claims disallowed as a result of such audits would become a liability. Management believes that adjustments, if any, which might result from such audits would not have a significant impact on the financial position or change in net assets.

Note 9 - Economic Uncertainty

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders, including Oregon, where Kidco is headquartered. In response, the U.S. Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which includes significant provisions to provide relief and assistance to affected organizations. Kidco was forced to close all operations effective in March 2020 but funding sources agreed to continue to fund the payroll through June 30, 2020. Operations were able to resume in 2021 but required the purchase of additional equipment and supplies in order to meet safety and health regulations. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of business closures, shelter-in-place orders, and the ultimate impact of the CARES Act and other governmental initiatives. The financial impact and duration cannot be reasonably estimated at this time.

KIDS AND COMPANY OF LINN COUNTY

Notes to Financial Statements

Years Ended December 31, 2021 and 2020

Note 10 - Restatement of Net Assets without Donor Restrictions as of January 1, 2020

Net assets without donor restrictions and accumulated depreciation as of January 1, 2020 have been adjusted to correct an error in the amount of accumulated depreciation recorded as of that date. The correction has no effect on the results of the operations on the years ended December 31, 2021 and 2020; however, the cumulative effect decreases beginning net assets without donor restrictions by \$105,600. Previously issued financial statements have been restated to correct this error.

Note 11 - Future Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*. The primary change in US GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the statement of financial position a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Kidco is evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures. ASU 2016-02 was originally effective for fiscal years beginning after December 15, 2019, but the FASB has delayed the effective period to fiscal years beginning after December 15, 2021.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The primary change in US GAAP addressed by ASU 2020-07 is the requirement for contributed nonfinancial assets to be presented on their own line within the statement of activities and additional disclosures to be added to the notes to the financial statements. These disclosures include a disaggregation of the amount of contributed nonfinancial assets by type and qualitative information about any donor-imposed restrictions on, any uses of, and the valuation techniques utilized when determining the fair value of contributed nonfinancial assets. ASU 2020-07 is effective for fiscal years beginning after June 15, 2021. Entities must apply a retrospective transition approach for the earliest comparative period presented in the financial statements. Kidco is evaluating the effect that the provision of ASU 2020-07 will have on its financial statements and related disclosures.

SUPPLEMENTAL INFORMATION



Aldrich CPAs + Advisors LLP
680 Hawthorne Ave. SE #140
Salem, Oregon 97301

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

To the Board of Directors
Kids and Company of Linn County
Lebanon, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Kids and Company of Linn County (a nonprofit organization) (Kidco), which comprise the statement of financial position as of December 31, 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 June 22, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kidco'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 Kidco's internal control. Accordingly, we do not express an opinion on the effectiveness of Kidco's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned as item 2021-001 to be a material weakness.

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. We did not identify any deficiencies in internal that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kidco'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*.

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

Kidco's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Kidco's response to the findings identified in our audit and are described in the accompanying schedule of findings and questioned costs. Kidco's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Aldrich CPAs + Advisors LLP

Salem, Oregon
June 22, 2022



Aldrich CPAs + Advisors LLP
680 Hawthorne Ave. SE #140
Salem, Oregon 97301

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Kids and Company of Linn County
Lebanon, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kids and Company of Linn County's (Kidco) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Kidco's major federal programs for the year ended December 31, 2021. Kidco's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kidco 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 December 31, 2021.

Basis for Opinion on Each Major Federal Program

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 requirement of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Kidco and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Kidco's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Kidco's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Kidco's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Kidco's compliance with the requirements of each major federal program as a whole.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE,
CONTINUED

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Kidco's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Kidco's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Kidco's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Aldrich CPAs + Advisors LLP

Salem, Oregon
June 22, 2022

KIDS AND COMPANY OF LINN COUNTY
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity ID</u>	<u>Federal Expenditures</u>
<i>Head Start Cluster</i>			
<u>U.S. Department of Health and Human Services</u>			
Head Start	93.600	-	\$ 4,279,598
COVID-19 Head Start - ARP	93.600	-	126,000
COVID-19 Head Start - CRRSA	93.600	-	<u>56,593</u>
<i>Total U.S. Department of Health and Human Services</i>			<u>4,462,191</u>
<i>Total Head Start Cluster</i>			4,462,191
<i>Other Programs</i>			
<u>U.S. Department of Agriculture</u>			
Passed Through Oregon State Department of Education:			
Child and Adult Care Food Program	10.558	90102	<u>144,291</u>
<i>Total U.S. Department of Agriculture</i>			<u>144,291</u>
<i>Total Other Programs</i>			<u>144,291</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 4,606,482</u>

KIDS AND COMPANY OF LINN COUNTY

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Kids and Company of Linn County (Kidco) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Kidco, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Kidco.

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.

Note 3 - Indirect Cost Rate

Kidco has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

KIDS AND COMPANY OF LINN COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes

no

Significant deficiency(ies) identified?

yes

none reported

Noncompliance material to the financial statements noted?

yes

no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

yes

no

Significant deficiency(ies) identified?

yes

none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

yes

no

Identification of major programs:

CFDA Number
93.600

Name of Federal Program or Cluster
Head Start

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

\$ 750,000

Auditee qualified as low-risk auditee?

yes

no

KIDS AND COMPANY OF LINN COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section II - Financial Statement Findings

2021-001 Accrual Accounting

Repeat Finding 2020-001

Criteria: Financial statements prepared in accordance with generally accepted accounting principles in the United States (US GAAP) are required to be on the accrual basis of accounting.

Condition: For the year ended December 31, 2021, the financial information presented for the audit was not recorded in accordance with US GAAP. There were errors in the recording of cash, receivables, prepaids, accounts payable, accrued expenses, revenue, and expenses.

Context: Management had implemented controls to ensure that the financial records were correctly reported at year-end but the controls were not effective which resulted in these errors.

Cause: There was a lack of understanding of what full accrual financial statements should include, and Kidco does not have the necessary expertise internally.

Effect: There were 9 audit adjustments posted during the 2021 audit that adjusted cash and receivables by \$303,933, receivable and revenue by \$100,799, prepaids and expense by \$11,011, accounts payable and expense by \$48,531, accrued expenses and expenses by \$199,654, PPE and expenses by \$140,809, and depreciation expense by \$8,789. This is considered to be a material weakness in financial reporting.

Questioned Costs: None

Recommendation: We recommend that management review the controls in place for year-end reporting to ensure that accounting records are maintained in accordance with US GAAP. Operating on a cash basis during the year is acceptable but records must be converted to accrual at year end and for the final annual reports submitted to the granting agencies.

Views of Responsible Officials: See Corrective Action Plan

KIDS AND COMPANY OF LINN COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section III - Federal Award Findings and Questioned Costs
None Reported

KIDS AND COMPANY OF LINN COUNTY
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2020

Section IV - Prior Audit Findings

2020-001 Material payable and related expense was not properly recorded at year end

Condition: For the year ended December 31, 2020, the financial information presented for the audit was not recorded in accordance with US GAAP. There were errors in the recording of cash, receivables, prepaids, accounts payable, accrued expenses, notes payable, revenue, and expenses.

Current Status: This finding was repeated at 2021-001.

2020-002 Journal Entries did not have appropriate documentation or review

Condition: For the year ended December 31, 2020, we selected a sample of five journal entries posted during the year for testing. Management was unable to obtain appropriate documentation to support the purpose and amounts recorded in three entries. There was also no documentation of approval of the entries posted to the accounting system.

Current Status: This finding was corrected for the year-ended December 31, 2021. Management has implemented processes and controls to provide for review and approval of journal entries.



Kidco Head Start
 Tel: 541.451.1581 | Fax: 541.259.1581
 300 Market Street, Suite 200
 Lebanon, Oregon 97355
 www.kidcoheadstart.org

Corrective Action Plan for FY 2021 Audit Findings

Name of auditee: Kids and Company of Linn County (Kidco)

Name of audit firm: Aldrich CPAs + Advisors, LLP

Period covered by the audit: Year ended December 31, 2021

Corrective Action Plan Information	
Audit Report Finding Number	2021-001
Finding:	Financial Information presented for the audit was not recorded in accordance with US GAAP. There were errors in the recording of cash, receivables, prepaids, accounts payable, accrued expenses, notes payable, revenue, and expenses.
Corrective Action Taken or To Be Taken: If already taken, date of completion: N/A	<p>Response: While controls were implemented to correct this finding from previous years, the controls (including an internal audit review) in place were not effective.</p> <p>Action to be taken: Kidco did undertake steps to not only continue to expand the knowledge and skills of the relatively new Fiscal Coordinator in 2021, but also consulted outside the agency for internal audit help.</p> <p>There is a continued need to seek training and expertise to fill in knowledge gaps of Kidco Fiscal Department staff, with both staff members in this department newer to their roles, and brand new to grant funding accounting. Staff will be attending a week-long, intensive WipFli training in July 2022, as well as other accounting courses/trainings throughout 2022.</p>

Corrective Action Plan Information, continued	
If to be taken, estimated date of completion:	<ul style="list-style-type: none"> • Wipfli Annual Conference: July 10-July 15, 2022; • Continued training via consultation Fall 2022
Agency Response: Does agency agree with the finding? If no or partially, explanation of why?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Partially <input type="checkbox"/> n/a
Agency Contact Responsible for Corrective Action:	Name: Stephany Koehne Title: Executive Director Phone Number: 541.451.1581 Email: skoehne@kidcoheadstart.org