

FLORIDA'S CHILDREN FIRST, INC.

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

Years Ended December 31, 2017 and 2016

Table of Contents

	<u>Page</u>
Independent Auditor's Report	3
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statement of Functional Expenses 2017	6
Statement of Functional Expenses 2016	7
Statements of Cash Flows	8
Notes to Financial Statements	9-20



CERTIFIED PUBLIC ACCOUNTANTS

3031 North East 22nd Street Fort Lauderdale, Florida 33305-1825

MEMBER AMERICAN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS

(954) 561-2826 Phone
(954) 561-2881 Fax
msfengler@aol.com

Independent Auditor's Report

Board of Directors of
Florida's Children First, Inc.

We have audited the accompanying financial statements of Florida's Children First, Inc. (Organization), (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida's Children First, Inc., as of December 31, 2017 and 2016, 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.

Sullivan & Fengler

Sullivan & Fengler
Fort Lauderdale, Florida
July 27, 2018

FINANCIAL STATEMENTS

FLORIDA'S CHILDREN FIRST, INC.
STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS

	<u>2017</u>	<u>2016</u>
Cash and cash equivalents (Note B)	\$ 44,062	\$ 28,743
Investments (Note F)	348,729	391,038
Promise to give, less than one year	2,500	18,750
Prepaid insurance	2,748	2,249
Prepaid expenses	27,182	4,425
Security deposits	1,821	1,821
Property and equipment (less accumulated depreciation of \$6,947 and \$4,059 in 2017 and 2016 respectively)(Note H)	<u>5,920</u>	<u>8,808</u>
TOTAL ASSETS	<u>\$432,962</u>	<u>\$455,834</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 31,376	\$ 30,203
Deferred revenue	24,630	-
Capital lease payable (Note K)	<u>5,962</u>	<u>7,144</u>
TOTAL LIABILITIES	<u>61,968</u>	<u>37,347</u>
 Commitments and contingencies	 -	 -
 Net Assets		
Unrestricted net assets	177,578	257,238
Temporarily restricted net assets (Note E)	193,416	161,249
Permanently restricted net assets	-	-
TOTAL NET ASSETS	<u>370,994</u>	<u>418,487</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$432,962</u>	 <u>\$455,834</u>

The accompanying notes are an integral part of this statement.

FLORIDA'S CHILDREN FIRST, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31,

UNRESTRICTED NET ASSETS		
Support		
Contributions	\$ <u>52,016</u>	\$ <u>61,762</u>
Event contributions	226,422	295,720
Grants and awards	83,148	81,000
In-kind contributions (Note B,D)	443,446	659,391
Total support	<u>805,032</u>	<u>1,097,873</u>
Revenue		
Return on investments (Note F)	22,696	9,901
Net assets released from restrictions	<u>195,833</u>	<u>178,226</u>
Total unrestricted support and revenue	<u>1,023,561</u>	<u>1,286,000</u>
Expenses		
Program services:		
Improving child welfare	579,389	503,439
Improving services/outcomes for older youths	391,663	669,043
Total program expenses	<u>971,052</u>	<u>1,172,482</u>
Supporting services:		
Administrative and general	83,266	70,943
Fund raising	48,903	52,814
Total supporting services	<u>132,169</u>	<u>123,757</u>
Total functional expenses	<u>1,103,221</u>	<u>1,296,239</u>
Change in unrestricted net assets	<u><79,660></u>	<u><10,239></u>
TEMPORARILY RESTRICTED NET ASSETS		
Grants and awards (Note E)	228,000	187,500
Net assets released from restriction	<u><195,833></u>	<u><178,226></u>
Change in temporarily restricted net assets	<u>32,167</u>	<u>9,274</u>
Change in permanently restricted net assets	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	<47,493>	<965>
NET ASSETS AT BEGINNING OF YEAR	<u>418,487</u>	<u>419,452</u>
NET ASSETS AT END OF YEAR	<u>\$ 370,994</u>	<u>\$ 418,487</u>

The accompanying notes are an integral part of this statement.

FLORIDA'S CHILDREN FIRST, INC.
STATEMENTS OF CASH FLOWS
Year Ended December 31,

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2017</u>	<u>2016</u>
Change in net assets	\$<47,493>	<965>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,888	2,662
Unrealized <gain> loss investments	<9,995>	5,154
<Increase> decrease in operating assets:		
Promise to give	16,250	<18,750>
Prepaid insurance	<24,933>	<1,672>
Prepaid expenses	1,677	<3,425>
Increase <decrease> in operating liabilities:		
Deferred revenue	24,630	-
Accounts payable and accrued expenses	<u>1,173</u>	<u>8,740</u>
Net assets <used> provided by operating activities	<u><35,803></u>	<u><8,256></u>
Cash flows from <to> financing transactions:		
Capital lease copier	-	7,816
Payments on lease	<u><1,182></u>	<u><672></u>
Net asset provided by financing activities	<u><1,182></u>	<u>7,144</u>
Cash flows from <to> investing activities		
Sale of Investments	68,524	3,900
Investments purchased	<16,220>	<18,950>
Purchase of furniture and equipment	<u>-</u>	<u><8,631></u>
Net asset provided <used> by investing activities	<u>52,304</u>	<u><23,681></u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	15,319	<24,793>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>28,743</u>	<u>53,536</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 44,062</u>	<u>\$ 28,743</u>
SUPPLEMENTAL DATA		
Interest/taxes paid	<u>\$ 1,059</u>	<u>\$ 910</u>

The accompanying notes are an integral part of these statements.

Florida's Children First, Inc.									
Statement of Functional Expenses									
Year Ended December 31, 2017									
PROGRAM SERVICES									
	Improving Child Welfare	Improving Services/ Outcomes Older Youth	Total	SUPPORTING SERVICES			Total	Total	Total
Payroll and related expenses	\$ 152,549	\$ 168,063	\$ 320,612	\$ 48,155	\$ 43,585	\$ 91,740	\$ 412,352		
Professional fees/legal	271,584	165,861	437,445	-	-	-	437,445		
Professional fees/accounting	1,000	1,000	2,000	11,600	2,000	13,600	15,600		
Professional fees/other	15,800	15,800	31,600	-	-	-	31,600		
Supplies/miscellaneous	5,847	3,900	9,747	6,350	425	6,775	16,522		
Telephone	5,322	1,520	6,842	380	381	761	7,603		
Website/comm/software/tech	6,011	1,717	7,728	430	429	859	8,587		
Postage/delivery	1,547	443	1,990	110	110	220	2,210		
Occupancy	15,758	4,502	20,260	1,126	1,126	2,252	22,512		
Printing/publications	1,363	1,363	2,726	703	703	1,406	4,132		
Training/education	73,670	-	73,670	-	-	-	73,670		
Interest expense	-	-	-	1,059	-	1,059	1,059		
Travel/meetings/events	-	-	-	6,020	-	6,020	6,020		
Public awareness/education	26,916	26,916	53,832	4,682	-	4,682	58,514		
Dues/fees/license	-	-	-	2,507	-	2,507	2,507		
Total Expense Before Depreciation	577,367	391,085	968,452	83,122	48,759	131,881	1,100,333		
Depreciation	2,022	578	2,600	144	144	288	2,888		
Total Expenses	\$ 579,389	\$ 391,663	\$ 971,052	\$ 83,266	\$ 48,903	\$ 132,169	\$ 1,103,221		
The accompanying notes are an integral part of this statement.									
7									

Florida's Children First, Inc.									
Statement of Functional Expenses									
Year Ended December 31, 2016									
PROGRAM SERVICES					SUPPORTING SERVICES				
	Improving Child Welfare	Improving Services/Outcomes Older Youth	Total	Management & General	Fund Raising	Total	Total	Total	Total
Payroll and related expenses	\$ 154,885	\$ 161,895	\$ 316,780	\$ 44,967	\$ 47,359	\$ 92,326			409,106
Professional fees/legal	201,482	447,491	648,973	1,268	-	1,268			650,241
Professional fees/accounting	1,000	1,000	2,000	11,615	2,000	13,615			15,615
Professional fees/other	5,599	12,735	18,334	-	-	-			18,334
Supplies/miscellaneous	11,222	9,642	20,864	802	802	1,604			22,468
Telephone	6,713	1,918	8,631	479	479	958			9,589
Website/comm/software/tech	5,156	1,474	6,630	368	368	736			7,366
Postage/delivery	1,598	457	2,055	114	114	228			2,283
Occupancy	15,230	4,351	19,581	1,088	1,088	2,176			21,757
Printing/publications	536	536	1,072	268	269	537			1,609
Training/education	71,142	-	71,142	-	-	-			71,142
Interest expense	-	-	-	910	-	910			910
Travel/meetings/events	-	-	-	3,007	-	3,007			3,007
Public awareness/education	26,254	26,254	52,508	5,094	-	5,094			57,602
Dues/fees/license	758	758	1,516	830	202	1,032			2,548
Total Expense Before Depreciation	501,575	668,511	1,170,086	70,810	52,681	123,491			1,293,577
Depreciation	1,864	532	2,396	133	133	266			2,662
Total Expenses	\$ 503,439	\$ 669,043	\$ 1,172,482	\$ 70,943	\$ 52,814	\$ 123,757			\$ 1,296,239
The accompanying notes are an integral part of this statement.									
								8	

NOTES TO FINANCIAL STATEMENTS

FLORIDA'S CHILDREN FIRST, INC.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE A – NATURE OF ACTIVITIES

Nature of Activities

Florida's Children First, Inc. is a non-profit corporation established to represent and protect the legal rights of Florida's abused and neglected children, especially those in foster care, and to advance children's legal rights consistent with their medical, social, and educational needs, through awareness and advocacy projects. The corporation began operations in 2002. Florida's Children First, Inc.'s primary support comes from grants, fundraising, and contributions.

Organization's Mission or Most Significant Activities

We are change-agents. We are Florida's child-caring systems' watchdogs.

Florida's Children First, Inc. (FCF) is the only organization in Florida that works to give the most vulnerable children a voice and a presence in determining their destiny, as well as to insure that each child in Florida's systems of care have adequate representation to make their lives enriched and full, like any other child. These vulnerable children are those who have been abused or neglected, have mental health problems, are disabled, or have a troubled life and problems with the law. FCF is Florida's premiere, statewide child advocacy organization that makes substantial improvements in the lives of these children by using many means to change the systems of care. FCF also empowers individual children and youth to organize, learn leadership and advocacy skills and to become the voice for all children in care by its support and promotion of Florida Youth SHINE, its youth advocacy organization comprised of 14 statewide Chapters of approximately 350 children and youth, ages 13-24.

There is no single, correct way, to change the system. Sometimes, all it takes is to sit at the table with the heads of the state agencies who deal in children issues to share concerns and offer viable solutions. Or it can mean to work with agencies when they write their policies, procedures or rules.

Changing the system of care for Florida's children requires that we educate a variety of stakeholders. Sometimes we make the general public aware of a problem concerning our children, in order to motivate their help and support in making improvements. Often we achieve change by training professionals across the state on the new procedures or law – or educating them on the issues so that they are aware of the need for change. We also make systemic changes by educating the state legislature on the issues that these children face on a daily basis and helping them understand the systems of care and the difficulties surrounding maneuvering in those systems – especially for children. We educate by writing materials, brochures, pamphlets that give information on various topics in child welfare, delinquency and disabilities, as well as produce videos highlighting stories of the children, or issues in child welfare.

FCF also takes on the equally important role of educating children and youth about their rights, the processes that they are facing, and their supports. We work hard to help them understand the power they can have over their own destiny when they learn to effectively advocate on behalf of themselves – and we empower them to advocate for themselves and on behalf of all other children in care.

FLORIDA'S CHILDREN FIRST, INC.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE A – NATURE OF ACTIVITIES - continued

We engage in public education via media advocacy, when necessary. We give interviews on TV, Radio, Newspapers, live presentations in other forums – all effective tools when used in the right way to effectively get the message out quickly and to the largest audience.

Sometimes making the system better for our children requires us to argue in the appellate courts in "Amicus Briefs" designed to support or oppose a position taken in a case that affect the lives of children in care. Or, when all else fails, sometimes the only way to try to change the system means filing a law suit. Thankfully, Florida's Children First has never had to resort to filing a suit, although it does have sufficient ability to do so if the need arose.

Florida's Children First does all of these things and much more, to make positive changes in the system to help our children. FCF is operated, amazingly, by a small but mighty staff of 5, who, with the help of hundreds of volunteer attorneys and other professionals across the state, work tirelessly to make substantial, positive changes to better the lives of children. FCF's accomplishments include working with volunteer professionals who help in a variety of ways and whose hard work has equaled over \$6,000,000 in professional services. FCF has trained over 18,900 people across Florida on important issues concerning our children. Florida's Children First has received over 12,000 hours of pro bono (free) hours from lawyers across the state. We have also provided over 66,500 hours of youth advocacy and training, provided 22 educational publications on children's rights, and filed 32 amicus briefs. But the most successful and impactful work done by FCF is in its ability to educate the legislature as well as to empower the youth, by presenting children and youth to speak with legislators and share their stories to give a voice and put a face on the issues, resulting in the ability to help get 27 bills drafted, supported, or passed, including one that formed the basis for national legislation requiring states provide for normal childhood activities for the children in their care.

All of this has made positive changes in the lives of thousands of children in Florida, which continues to have a ripple effect impacting even more and more each year, as well as educating thousands of professionals and countless citizens about issues and solutions for children in care.

Examples of our most recent accomplishments include:

A. RECRUIT, TRAIN & SUPPORT LAWYERS FOR DEPENDENT CHILDREN:

- **Counsel for Dependent Children with Special Needs Passed Law (HB 561)** We were instrumental in obtaining Florida's first law creating a statutory right to counsel for some children in the child welfare system. We have succeeded in retaining appropriations each year and are working on expansion.
- **Bar Special Committee on Child and Parent Representation** FCF Board Directors were instrumental in getting the Florida Bar to create a special committee tasked with drafting legislation that would make Florida exemplar to the nation in providing high quality representation to children.

FLORIDA'S CHILDREN FIRST, INC.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE A – NATURE OF ACTIVITIES - continued

A. RECRUIT, TRAIN & SUPPORT LAWYERS FOR DEPENDENT CHILDREN - continued:

- **Law Firm Consortium on Children's Rights** FCF convened several of leading law firms in the state and helped them create a Consortium that would bring their expertise and enthusiasm to bear in convening stakeholders to identify and tackle the barriers to high quality representation in Florida.
- **Constitutional Right to Counsel** With support by FCF, Florida was the first state to consider a constitutional right to counsel for dependent children. Although the Constitutional Revision Commission did not move it forward, we opened a statewide conversation on the issue.
- **Juvenile Law Board Certification** FCF's Deputy Director chairs the Florida Bar's Juvenile Law Certification committee which promotes the elevation of the practice of law related to children by recognizing its importance through board certification.
- **Training and Technical Support** FCF provides training on substantive law topics to lawyers in the child welfare system and pro bono attorneys willing to represent children. It has also begun to offer the QIC-ChildRep Training which is an evidence-based program that helps lawyers become better advocates for children.
- **American Bar Association Right to Counsel Workgroup:** This American Bar Association workgroup gives us access to assistance and expertise from other states concerning the implementation of the right to counsel. It also alerts us to the systemic issues that may be percolating but are yet unnoticed in Florida.
- **Florida Dependency Law Center** (www.FloridaDependencyLaw.org) is our online center to support and provide resources and communication tools to all attorneys and judges working with children in Florida. This is a one-stop resource for all attorneys and judges in the dependency system that provides a private communications tool, access to applicable case law, resources and much more. All lawyers who do high quality work need up-to-date access to information, resources, and the advice of colleagues. Only a small percent of the lawyers who currently represent children in Florida do that work full time in organizations that can provide them ongoing support. Most of the children's lawyers in Florida are solo practitioners, or pro bono lawyers whose primary practice is not children's law. We provide them the resources and support they need through our online center at: www.FloridaDependencyLaw.org.

FLORIDA'S CHILDREN FIRST, INC.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE A – NATURE OF ACTIVITIES - continued

B. CHILD WELFARE SYSTEMIC REFORM-FLORIDA

Florida's Children First succeeded in securing passage of numerous changes to Florida statutes which improve transparency, accountability, and the provision of services.

- **Keys to Independence:** This law helps youth in state care get their learner's permit, driver's education in high school, a driver's license and help with auto insurance. We supported the legislation making this a permanent program that also expanded coverage to all children in out of home care, not just those in licensed foster care (like those who were placed with relatives or nonrelatives).
- **Tuition and Fee Exemption:** Florida's Children First working together with Florida Youth SHINE were instrumental in convincing the state universities to revise their rules to permit former foster youth to use the tuition and fee exemption for graduate and professional schools and remove other limitations on use of the exemption. Florida now leads the nation in providing post-secondary education for children who have been failed by the foster care system, and were not provided with permanent, forever families. These children "aged" out of foster care, and the State of Florida was their "parent." Therefore, Florida will provide for their post-secondary educational opportunities. The only limitation is that the exemption expires when the young adult reaches age 28. They can obtain law degrees, medical degrees, bachelor's and master's degrees or Ph.Ds., or attend trade school.
- **Real-Time Online Reporting of Child Deaths:** Child deaths should never be kept secret. Children who are placed in foster care to protect them from abuse or neglect must be kept safe from harm, and if they die due to neglect or abuse while under the control of the state, this must be made public. FCF was instrumental in getting language added to the law that requires DCF to post information about ALL child deaths reported to the hotline immediately on their website.
- **Non-Relative Caregiver Funding/Tuition Exemption for Youth:** We were able to get key language incorporated into law, which, for the first time, requires that non-relatives who take in foster children will receive financial assistance. Also, children placed with non-relatives will finally be able to get free college tuition, just like their peers in foster care or who live with relatives.
- **Keeping Siblings Together:** We helped secure language to improve the likelihood of siblings remaining together and improving communication if they are separated. The law also states a preference to place sibling groups in family homes rather than group care facilities. Florida Youth SHINE testified and advocated repeatedly before and during the Session on this topic.
- **Child-on-Child Sexual Assault:** Language was placed in the child welfare bill requiring DCF to track and serve all foster children involved in child-on-child sexual abuse instead of sending cases involving teens to law enforcement. The bill also removed the stigmatizing language of calling children with sexual behavior problems "alleged juvenile sex offenders."

FLORIDA'S CHILDREN FIRST, INC.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE A – NATURE OF ACTIVITIES - continued

B. CHILD WELFARE SYSTEMIC REFORM-FLORIDA - continued

- **Services Provision & Tracking:** Language in the child welfare bill requires the Community Based Care lead agency (as well as the Child Protective Investigator) to identify, provide, and monitor services to families who have agreed to comply with a safety plan, where there is present danger as well as when there is imminent danger to the child/ren.
- **Accountability on Delivery of Services:** FCF advocated for and got more accountability in the Community Alliances. Also, we were instrumental in obtaining the restoration of funding for some DCF Quality Assurance positions that were previously cut.
- **Medicaid to Age 26 for Former Foster Youth:** Florida's Children First partnered with another organization to advocate to the relevant state agencies to ensure that all young adults who became automatically eligible for Medicaid under the former foster youth provision of the Affordable Care Act were provided access to Medicaid. We worked to make sure the state would take the broadest possible view of eligibility, worked to ensure that the eligible population and the entities that serve them were aware of the new law, and prompted the state to undertake significant measures to enroll eligible young adults. Based on our efforts, Florida leads the nation in the number of former foster youth who have applied for Medicaid.

C. CHILD WELFARE SYSTEMIC REFORM-NATIONAL:

- **State Policy Advocacy Reform Center (SPARC)** We are Florida's participant in the SPARC - a national organization supported by First Focus, the leading child welfare policy advocacy organization in Washington DC. SPARC offers the opportunity for states to share resources and experiences to help advocates improve their work locally and to bring local perspective to national issues.
- **Due Process Amicus Brief U.S. Supreme Court:** FCF Filed an Amicus Brief in the U.S. Supreme Court asserting that the child welfare system fails its fundamental obligation to act in the children's best interest when it fails to provide parents with due process in proceedings to terminate parental rights. Two national and several state and local organizations joined us.
- **Right to Counsel Amicus Brief Washington State:** FCF joined an Amicus Brief in the Supreme Court of Washington asserting that all children have a due process right to counsel in dependency proceedings.

FLORIDA'S CHILDREN FIRST, INC.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE A – NATURE OF ACTIVITIES - continued

D. IMPROVING OUTCOMES FOR CURRENT AND FORMER FOSTER YOUTH – BY GIVING A VOICE TO FLORIDA YOUTH SHINE:

FCF gives a voice to the youth, teaching children in care and those who have left care to become the face for all issues. Giving a voice to the youth who have experienced the system of care is the most effective tool in improving outcomes for older youth. Youth teach us the way to make the system better. Florida's Children First provides the support, structure, guidance and education to empower children and youth to become effective advocates through its youth advocacy organization, Florida Youth SHINE (FYS). FYS, with 14 Chapters across the state, have become a strong, credible, and effective voice to represent the difficulties facing the older youth in the foster care system.

Florida Youth SHINE has succeeded in influencing positive change on a number of issues through its existence including landmark legislation was enacted in Florida that immediately became the basis for new national legislation to help children live more normal lives. Under the traditional system of foster care, children in care are very restricted in participating in normal childhood activities. Caregivers were concerned that a child might get injured, or administrators of state agencies were concerned about liability issues. These reactions caused many unfair procedures requiring foster parents to obtain court orders to allow the child to travel with the family on vacation, or to attend a school event in another county, or to travel with a church group to a sleep-away camp. Fingerprinting and background screening was required whenever a child wanted to sleep over at a class-mate's home, or a foster parent wanted to have their relative watch the children, so the foster parent could go grocery shopping.

Florida Youth SHINE put a face on this issue as they spoke with the majority of Florida's legislators, and testified extensively at legislative committee meetings, to help lawmakers understand the need for our children to have normal childhood related activities. This caused a law change that allowed caregivers to make decisions like any reasonable and prudent parent, without state interference or approval. No longer do caregivers have to ask a judge to allow the child to attend a church outing, or get neighbors fingerprinted and law enforcement background screenings to allow their children to have sleep-overs. Caregivers, like parents, can decide what is in the best interests of the children in their care.

Here are some of the more recent accomplishments of Florida Youth SHINE:

- **Outreach to Inform Former Foster Youth of Medicaid Eligibility** Florida Youth SHINE worked with FCF and Florida Legal Services to investigate problems with the application process and to conduct outreach to inform over 4,000 former foster youth of their new ability to obtain Medicaid until age 26.
- **Quality Parenting for Children in Foster Care / Let Kids be Kids Act.** After many years of effort to educate and persuade legislators paid off with the adoption of this law. Kids' rights to participate in normal activities without abnormal restrictions were placed in the law. Then FYS was even more thrilled when key provisions of Florida law were later placed into federal law to apply to all foster youth in the United States.

FLORIDA'S CHILDREN FIRST, INC.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE A – NATURE OF ACTIVITIES - continued

- **Extension of Foster Care to age 21. Nancy C. Detert Common Sense and Compassion Independent Living Act** FCF and FYS were instrumental in gaining passage of this law which extended foster care to age 21. It revised the financial support for youth who are in college, in part by the easing requirements so that when they face difficulties in school they are not excluded from the program.
- **Keeping ID's Safe (K.I.D.S. Act)** Florida Youth SHINE worked with the Guardian ad Litem Program to promote legislation that protects all children from identity theft by allowing caregivers to place a security freeze on credit report of children younger than 16.
- **Juvenile Sentencing:** Through a coalition of advocates working together, this legislation will allow for juvenile non-homicide and homicide offenders sentenced to life without parole to have a review of their sentence at various intervals depending on the crime, as well as providing sentencing alternatives for juvenile homicide offenders.

E. MORE FLORIDA YOUTH SHINE (FYS) ACCOMPLISHMENTS AND ACTIVITIES:

Florida Youth SHINE (FYS) has, in the past few years, begun to have a national presence. They are also being recognized across the nation as a premiere youth advocacy organization. Here are some of their current activities and accomplishments:

ACAC 2017 Activist Award to Florida Youth SHINE: FYS received this award from the North American Council on Adoptable Children, "because of the incredible work you have done to support and advocate for children and youth who have experienced foster care. The incredibly courageous and fearless work you have done has provided inspiration and hope to many, and your unwavering dedication to helping children and youth goes above and beyond."

Foster Youth in Action 2017 Leaders for Change Conference, Chevy Chase, MD. Five FYS members attended this fall conference. FYS member Dan Scott received the Nancy Cannon O'Connell Award for Outstanding Youth Leadership and FYS Coordinator Geori Berman won the Janet Knipe Exceptional Adult Ally Award.

Children's Week at the Florida Capitol 2018 Florida Youth SHINE works very hard to be prepared to meet with our state and national legislators, and that work pays off! Their credibility and amazing advocacy and youth opens the door for opportunities that most lobbyists don't enjoy. They are well-known because they are well-prepared, knowledgeable, professional, respectful, articulate, excellent public speakers, are willing to share their stories to highlight issues, and they are highly visible. 2017 was a record-breaking year! Over 30 FYS members traveled from various parts of the state and over 5 days, they personally met with 21 Senators and 54 Representatives (or their Aids) for 75 meetings with the Florida Legislature! Some were also able to provide testimony before the legislature in committee meetings.

FLORIDA'S CHILDREN FIRST, INC.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE A – NATURE OF ACTIVITIES - continued

- **FYS Quarterly Meetings** At least 2 representatives from each of the 14 Chapters, along with Chapter Mentors, attend a 3-day training/ workshop/board meeting every 3 months in various parts of Florida. Starting on Friday for dinner and ending after lunch on Sunday, FYS members hold a board meeting, have leadership and advocacy skills training and process issues, and formulate calls to action on problems in foster care.
- **Dependency Summit Panels:** Each year the Florida Department of Children and Families holds a 3-day summit on child welfare, gathering over 2,000 professionals and others who have an interest in the topic. Florida Youth SHINE are always asked to present panel discussions in breakout sessions. In 2017, their training panel topics were: "Wham, Boom, Kapow!" Florida Youth SHINE Shares How You Can Bring Out the Superpower in Every Kid," and "Nurturing Natural Relationships."
- **Committees & Involvement:** FYS members from many chapters have been asked to be the voice of the youth and serve on various committees/ work groups. These include:
 - Independent Living Task Force
 - DCF Rule 65C 41 Special Issue Workshop
 - Transitional Planning Committee
 - Florida Reach
 - Fostering Florida's Future
 - Quality Parenting Initiative Task Force
 - Pro Bono Recruitment
 - GAL trainings

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its FASB Accounting Codification No. 958 regarding *Financial Statements of Not-for-profit Organizations*. Under Accounting Standards Codification No. 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

FLORIDA'S CHILDREN FIRST, INC.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Donated Services

Donated services (in-kind donations) are recognized as contributions in accordance with FASB Accounting Standards No. 958 regarding "*Accounting for Contributions Received and Contributions Made*", if the services create or enhance non-financial assets, or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Contributions

The Organization accounts for contributions in accordance with FASB Accounting Standards Codification No. 958 regarding *Accounting for Contribution Received and Contributions Made*. Contributions, including unconditional promises to give, are recognized as revenues in the period when the conditions on which they depend are substantially met. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Unconditional promises to give were all payable in less than one year. Based on history and managements analysis no allowance was deemed necessary.

Contributions, which are restricted by the donor, are reported as increases in unrestricted net assets if the restriction expires in the same year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Fixed Assets

Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets in excess of \$500 are capitalized. Property and equipment are stated at cost. Depreciation is charged to operations over the estimated useful lives of the respective assets using the straight line method. Property and equipment have an estimated useful live from three to seven years.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Cash and Cash Equivalents

Cash and cash equivalents include interest bearing checking, savings, money markets, and certificates of deposit with an original maturity of three months or less.

Income Taxes

The Organization qualified as a tax-exempt organization under section 501 (c)(3) of the Internal Revenue Code and, therefore has no provision for federal income tax. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private organization under Section 509(a)(2). Income from certain Organization activities not directly related to its tax-exempt purpose may be subject to income tax. The current and previous three years remain subject to examination by the IRS. There was no unrelated business income or deferred taxes for the year ended December 31, 2017 or 2016.

Evaluation of Subsequent Events

The Organization has evaluated subsequent events through July 27, 2018, the date which the financial statements were available to be issued.

FLORIDA'S CHILDREN FIRST, INC.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between participants on the measurement date.

The Association has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2017 or 2016; therefore, no adjustment was made to the Association's financial statements at December 31, 2017 or 2016.

NOTE C – CONTINGENCY

The Organization receives a substantial amount of support through a grant from the Florida Bar Foundation. A significant decrease in this grant, if it were to occur, would have an impact on the programs as they currently exist.

NOTE D - DONATED SERVICES AND USE OF FACILITIES (IN-KIND DONATIONS)

Florida's Children First, Inc. received \$443,446 and \$659,391 in donated services for program related matters during the year ended December 31, 2017 and 2016 respectively.

This in-kind is recorded in the statement of functional expenses as listed.

	<u>2017</u>	<u>2016</u>
Professional fees/legal	\$384,261	\$606,035
Professional fees/accounting	6,000	6,000
Professional fees/other	30,000	30,000
Public awareness/education	23,185	17,356
	<u>\$443,446</u>	<u>\$659,391</u>

NOTE E – TEMPORARILY RESTRICTED NET ASSETS/UNRESTRICTED NET ASSETS

Florida's Children First, Inc. has received contributions temporarily restricted in use as follows:

	<u>12/31/2016</u>	<u>Contribution</u>	<u>Expended</u>	<u>12/31/2017</u>
Litigation of children's rights	\$105,000	\$ -	\$ -	\$105,000
Arthur Foundation	12,500	8,000	12,500	8,000
Professional fees	-	35,000	8,333	26,667
Printing	-	10,000	-	10,000
Florida Bar Foundation: Legal Assistance Children	43,749	175,000	175,000	43,749
	<u>\$161,249</u>	<u>\$228,000</u>	<u>\$195,833</u>	<u>\$193,416</u>

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2017 and 2016

NOTE F - INVESTMENTS

Fair Value Measurements

The FASB issued guidance under ASC 820 that establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2: Inputs to the valuation methodology include 1) quoted prices for similar assets or liabilities in active markets, 2) quoted prices for identical assets or liabilities in active markets, 3) inputs other than quoted prices that are observable for the asset or liability, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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, 2017 and 2016.

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

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. The Organization's assets were short term Level 1 assets as of December 2017 and 2016.

The Organization investments are summarized below:

<u>2017</u>			
	Fair		
	Market Value	Return on Investments	
Mutual Funds	<u>\$348,729</u>	Interest/dividends	\$16,225
		Gains/losses market	9,995
		Fees on investments	<3,524>
			<u>\$22,696</u>
<u>2016</u>			
	Fair		
	Market Value	Return on Investments	
Mutual Funds	<u>\$391,038</u>	Interest/dividends	\$18,956
		Gains/losses market	<5,155>
		Fees on investments	<3,900>
			<u>\$ 9,901</u>

FLORIDA'S CHILDREN FIRST, INC.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE G – RELATED PARTY

Some of the donated services for program related matters were from Board members. These services were not related to their board member duties.

NOTE H – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$12,867	\$12,867
Accumulated depreciation	<u><6,947></u>	<u><4,059></u>
	<u>\$ 5,920</u>	<u>\$ 8,808</u>

The aggregate depreciation charged to operations was \$2,888 and \$2,662 in 2017 and 2016 respectively.

NOTE I – EMPLOYEE RETIREMENT PLAN

The Organization has a matching retirement plan covering all employees meeting age and service requirements. Participants may contribute a percentage of their salary on a pre-tax basis subject to limitations determined by the Internal Revenue Code. The Organization contribution was \$7,177 and \$6,887 for December 31, 2017, and 2016, respectively. Amounts are remitted at the same frequency as payroll is paid.

NOTE J – COMMITMENTS

Effective August 1, 2015, Florida's Children First, Inc. entered into a three year employment contract with the Executive Director. This contract can be terminated prior to expiration with \$25,000 severance pay, except if terminated for cause.

Effective November 2, 2015, Florida's Children First, Inc., entered into a two year and two month contract with an option to extend for two, one year terms, for the rental of office space. Future minimum commitments under this lease for the year ended December 31, 2018, are \$21,218.

Florida's Children First, Inc., entered into two contracts for six months, both effective December 1, 2017, for legal services to be represent before the Florida legislature, executive agencies and other governmental entities in the State of Florida. Each contract is for \$25,000 and has a renewal option.

NOTE K– CAPITAL LEASE PAYABLE

In March of 2016, Florida's Children First, Inc., entered into a sixty-three month lease for a printer/copier. Monthly payments are \$331 and include a maintenance service contract and certain supplies over the lease term. The effective interest rate is approximately 16 percent. The following are future minimum principal payments as of December 31:

2018	\$1,385
2019	1,479
2020	2,049
2021	<u>1,049</u>
	<u>\$5,962</u>