

FLORIDA'S CHILDREN FIRST, INC.

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT

Years Ended December 31, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Florida's Children First, Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 the Organization and to meet our other ethical responsibilities in accordance with the 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 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 the Organization'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 Responsibilities 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.

In performing an audit in accordance with generally accepted 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 the Organization '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 the Organization'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.

Sullivan & Fengler

Sullivan Fengler
Fort Lauderdale, Florida
October 7, 2024

FINANCIAL STATEMENTS

FLORIDA'S CHILDREN FIRST, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents (Note B)	\$ 292,191	\$ 187,305
Investments (Note B, H)	521,822	443,752
Accounts receivable (Note B)	36,000	1,625
Promise to give, less than one year (Note B)	2,500	10,000
Prepaid expenses	3,446	3,202
Security deposits	9,199	1,821
Operating lease right of use asset	103,038	22,916
Finance lease property and equipment (less accumulated depreciation of \$3,645 and \$4,771 in 2023 and 2022, respectively) (Note J)	21,870	11,040
Property and equipment (less accumulated depreciation of \$16,486 and \$15,277 in 2023 and 2022, respectively) (Note G)	<u>2,497</u>	<u>1,674</u>
TOTAL ASSETS	<u>\$ 992,563</u>	<u>\$ 683,335</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 15,513	\$ 20,911
Operating lease liability (Note J)	103,038	22,916
Finance lease property and equipment liability (Note J)	<u>21,870</u>	<u>11,040</u>
TOTAL LIABILITIES	140,421	54,867
Net Assets		
Without donor restriction	<u>474,198</u>	<u>458,268</u>
With donor restriction (Note F)		
Purpose restrictions	112,900	107,950
Time restricted for future periods	<u>265,044</u>	<u>62,250</u>
	<u>377,944</u>	<u>170,200</u>
TOTAL NET ASSETS	<u>852,142</u>	<u>628,468</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 992,563</u>	<u>\$ 683,335</u>

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

FLORIDA'S CHILDREN FIRST, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Grants and awards	\$ 156,380	\$ 494,994	\$ 651,374
Contributions and events	434,699	-	434,699
Contributions in-kind (Note E)	258,949	-	258,949
Net assets released from restrictions satisfaction of restriction	<u>287,250</u>	<u>(287,250)</u>	<u>-</u>
Total revenue and other support	<u>1,137,278</u>	<u>207,744</u>	<u>1,345,022</u>
EXPENSES			
Program expenses:			
Improving child welfare	639,850	-	639,850
Improving services/outcomes older youth	<u>332,223</u>	<u>-</u>	<u>332,223</u>
Total program expenses	<u>972,073</u>	<u>-</u>	<u>972,073</u>
Supporting expenses:			
Management and general	99,859	-	99,859
Fundraising and development	<u>85,368</u>	<u>-</u>	<u>85,368</u>
Total supporting expenses	<u>185,227</u>	<u>-</u>	<u>185,227</u>
Total expenses	<u>1,157,300</u>	<u>-</u>	<u>1,157,300</u>
Change in net assets from operations	(20,022)	207,744	187,722
Investment return, net	<u>35,952</u>	<u>-</u>	<u>35,952</u>
CHANGE IN NET ASSETS	15,930	207,744	223,674
Net assets, beginning of the year	<u>458,268</u>	<u>170,200</u>	<u>628,468</u>
Net assets, end of the year	<u>\$ 474,198</u>	<u>\$ 377,944</u>	<u>\$ 852,142</u>

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

FLORIDA'S CHILDREN FIRST, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Grants and awards	\$ 157,726	\$ 250,000	\$ 407,726
Contributions and events	460,339	-	460,339
Contributions in-kind (Note E)	298,665	-	298,665
Net assets released from restrictions satisfaction of restriction	<u>257,250</u>	<u>(257,250)</u>	<u>-</u>
Total revenue and other support	<u>1,173,980</u>	<u>(7,250)</u>	<u>1,166,730</u>
EXPENSES			
Program expenses:			
Improving child welfare	671,749	-	671,749
Improving services/outcomes older youth	<u>326,164</u>	<u>-</u>	<u>326,164</u>
Total program expenses	<u>997,913</u>	<u>-</u>	<u>997,913</u>
Supporting expenses:			
Management and general	76,968	-	76,968
Fundraising and development	<u>73,309</u>	<u>-</u>	<u>73,309</u>
Total supporting expenses	<u>150,277</u>	<u>-</u>	<u>150,277</u>
Total expenses	<u>1,148,190</u>	<u>-</u>	<u>1,148,190</u>
Change in net assets from operations	25,790	(7,250)	18,540
Investment return, net	<u>(83,202)</u>	<u>-</u>	<u>(83,202)</u>
CHANGE IN NET ASSETS	(57,412)	(7,250)	(64,662)
Net assets, beginning of the year	<u>515,680</u>	<u>177,450</u>	<u>693,130</u>
Net assets, end of the year	<u><u>\$ 458,268</u></u>	<u><u>\$ 170,200</u></u>	<u><u>\$ 628,468</u></u>

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

FLORIDA'S CHILDREN FIRST
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	PROGRAM SERVICES			SUPPORTING SERVICES			Total
	Improving Child Welfare	Improving Services/ Outcomes Older Youth	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	
Payroll and related expenses	\$ 208,430	\$ 211,309	\$ 419,739	\$ 67,679	\$ 62,516	\$ 130,195	\$ 549,934
Professional fees - legal	148,905	45,544	194,449	-	-	-	194,449
Professional fees - accounting	2,073	2,073	4,146	15,666	1,078	16,744	20,890
Professional fees - other	27,875	27,875	55,750	-	-	-	55,750
Supplies and miscellaneous	15,837	3,590	19,427	9,191	3,299	12,490	31,917
Telephone	7,053	2,016	9,069	503	503	1,006	10,075
Website, communication, software, & technology	3,941	1,127	5,068	281	281	562	5,630
Postage & delivery	3,213	919	4,132	231	231	462	4,594
Occupancy	21,540	6,157	27,697	1,537	1,537	3,074	30,771
Printing & publications	4,101	-	4,101	-	-	-	4,101
Training & education	164,662	-	164,662	-	-	-	164,662
Travel, meetings, & events	-	-	-	-	10,313	10,313	10,313
Public awareness & education	31,373	31,373	62,746	1,103	5,549	6,652	69,398
Dues, fees, & licenses	-	-	-	3,607	-	3,607	3,607
Total Expenses Before Depreciation	639,003	331,983	970,986	99,798	85,307	185,105	1,156,091
Depreciation	847	240	1,087	61	61	122	1,209
Total Expenses	\$ 639,850	\$ 332,223	\$ 972,073	\$ 99,859	\$ 85,368	\$ 185,227	\$ 1,157,300

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

FLORIDA'S CHILDREN FIRST
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>			
	Improving Child Welfare	Improving Services/ Outcomes Older Youth	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	Total
Payroll and related expenses	\$ 152,525	\$ 201,759	\$ 354,284	\$ 54,953	\$ 57,967	\$ 112,920	\$ 467,204
Professional fees - legal	192,719	58,946	251,665	-	-	-	251,665
Professional fees - accounting	1,973	1,973	3,946	14,907	1,025	15,932	19,878
Professional fees - other	17,500	17,500	35,000	-	-	-	35,000
Supplies and miscellaneous	9,737	2,207	11,944	915	2,028	2,943	14,887
Telephone	6,242	1,784	8,026	446	446	892	8,918
Website, communication, software, & technology	8,344	2,386	10,730	594	595	1,189	11,919
Postage & delivery	1,763	504	2,267	127	126	253	2,520
Occupancy	16,951	4,845	21,796	1,210	1,210	2,420	24,216
Printing & publications	3,531	-	3,531	-	-	-	3,531
Training & education	223,464	-	223,464	-	-	-	223,464
Travel, meetings, & events	-	-	-	-	3,767	3,767	3,767
Public awareness & education	33,178	33,178	66,356	1,166	5,869	7,035	73,391
Dues, fees, & licenses	-	-	-	2,374	-	2,374	2,374
Total Expenses Before Depreciation	<u>667,927</u>	<u>325,082</u>	<u>993,009</u>	<u>76,692</u>	<u>73,033</u>	<u>149,725</u>	<u>1,142,734</u>
Depreciation	3,822	1,082	4,904	276	276	552	5,456
Total Expenses	<u>\$ 671,749</u>	<u>\$ 326,164</u>	<u>\$ 997,913</u>	<u>\$ 76,968</u>	<u>\$ 73,309</u>	<u>\$ 150,277</u>	<u>\$ 1,148,190</u>

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

FLORIDA'S CHILDREN FIRST, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From (To) Operating Activities		
Change in net assets	\$ 223,674	\$ (64,662)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,854	5,456
Unrealized (gain)/loss on investments	(18,288)	91,983
(Increase)/decrease in operating assets:		
Accounts receivable	(34,375)	(1,025)
Promise to give	7,500	1,500
Prepaid expenses	(244)	4,864
Security deposits	(7,378)	-
Operating lease right of use asset	(80,122)	(22,916)
Increase/(decrease) in operating liabilities:		
Accounts payable and accrued expenses	(5,398)	1,111
Deferred revenue	-	(11,680)
Operating lease liability	80,122	22,916
	<u>170,345</u>	<u>27,547</u>
Net Assets (Used)/Provided by Operating Activities		
Cash Flows From (To) Investing Activities		
Sale of investments	54,293	1,316
Purchase of investments	(114,075)	(13,416)
Purchase of furniture and equipment	(2,032)	(1,111)
Investment in finance lease property and equipment	(14,475)	(15,811)
	<u>(76,289)</u>	<u>(29,022)</u>
Net Assets (Used)/Provided by Investing Activities		
Cash Flows From (To) Financing Activities		
Financing of lease payable	14,475	15,811
Payments on lease	(3,645)	(4,771)
	<u>10,830</u>	<u>11,040</u>
Net Assets (Used)/Provided by Financing Activities		
Net Change in Cash and Cash Equivalents	104,886	9,565
Cash and Cash Equivalents, Beginning of Year	<u>187,305</u>	<u>177,740</u>
Cash and Cash Equivalents, End of Year	<u>\$ 292,191</u>	<u>\$ 187,305</u>

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

NOTES TO FINANCIAL STATEMENTS

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE A – NATURE OF ACTIVITIES

Florida's Children First, Inc. (the "Organization" "FCF") is a non-profit corporation established in 2002. Florida's Children First, Inc.'s primary support comes from grants, fundraising, and individual contributions.

Organization Mission:

Florida's Children First is a non-profit, nonpartisan, independent advocacy organization committed to protecting and advancing the rights of children and youth impacted by the child welfare, juvenile justice, and disability systems through systemic reform, education, youth voice, and promoting high-quality legal representation.

Organization Vision:

Our vision is that Florida's laws, policies, and practices respect, prioritize, and protect children and youth impacted by the child welfare, juvenile justice, and disability systems.

About Us:

By being informed by the youth we serve and providing a platform for their input and life experiences to be valued, we have achieved positive, long-lasting systemic changes in Florida's child welfare system that protect and uplift our most vulnerable children.

We are change agents. We are watchdogs. We fill a critical gap in the statewide child-serving system by tirelessly working to dismantle barriers, raise awareness, and ensure that every child in the state's care has a voice in the decisions that impact their lives. We believe it's time to **STOP** treating children as mere recipients of care and **START** equipping them with the tools to become powerful agents in their own future. Informed by the voice of the youth, our organization's advocacy and decision-making processes are continually guided by their perspectives, ensuring that our actions and policies are truly reflective of their needs and aspirations.

Through Florida Youth SHINE (FYS), FCF's groundbreaking youth advocacy organization, we equip children and youth to learn the leadership, advocacy, and life skills needed to become strong leaders, and a powerful voice for all children in Florida foster care. Now 14 statewide chapters strong, Florida Youth SHINE is comprised of approximately 350 current and former youth ages 13-26 who lead and support their peers in care, share their lived experiences, and use their platform to help improve the child dependency system for hundreds of youth today, and thousands who enter care in the future. Our method for engaging youth in systemic change is now a nationally recognized best practice.

HOW WE IMPROVE OUTCOMES:

We achieve change through executive branch advocacy by working with agencies when they write their policies, procedures, or rules.

We improve systems by making the general public aware of problems to mobilize their help and support in making improvements. We achieve change by training professionals across the state on new procedures or law – or educating them on critical issues so they are aware of the need for change.

We also educate by writing materials, brochures, and pamphlets that provide information on various topics in child welfare, delinquency, and disabilities. We now have more than 3 dozen publications to our credit.

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE A – NATURE OF ACTIVITIES - continued

Improving Outcomes for Older Youth through Education:

FCF educates children and youth and young adults about their rights, the processes that they are facing, and their support network. Through creating youth-friendly publications and training workshops we equip them with the knowledge to self-advocate to improve their lives.

Improving Outcomes for Older Youth by Empowering Youth:

Florida Youth SHINE (FYS), is a youth run, peer driven youth advocacy organization dedicated to advocacy by elevating and valuing the voices, experiences, and knowledge of youth who have experienced the child welfare system. By building a supportive community, empowering fellow youth, developing leadership skills, and inspiring resilience, FYS members advocate for a brighter future for their peers. Through FYS, we provide invaluable leadership and career skills and a support network for youth to thrive. FYS also provides a safe and nurturing space for emotional healing and utilizes a groundbreaking peer-to-peer model. Members are educated about the system and their rights, and trained on how to amplify their voice to self-advocate for themselves. This innovative youth-led model has had tangible results and improved outcomes for youth as they transition into adulthood.

Improving the General Child Welfare and Outcomes for Older Youth through Legislative Advocacy:

FCF achieves success in securing major systemic change by educating the state legislature on the challenges these children face on a daily basis, and helping them understand the systems of care and the difficulty maneuvering through those systems – especially for children.

FCF PROGRAMS

We offer programs that champion and fight for the rights and protection of children.

Some of our main programs include:

Advocacy Initiatives

Advocacy drives our activities at all levels. On a legislative level, we propose, draft, and comment on new legislation, providing comprehensive documentation on the potential impact of proposed bills. We file amicus briefs to assert children's rights and aid in the appointment of attorneys for them. We serve as advisors to the Executive branch, offering insights on new rules, and participate on task forces, panels, and forums that shape policy.

Professional Training and Educational Workshops

Every year, we offer a new series of free training workshops that keep those who interact with, or care for, youth informed on current issues and changes in benefits, policies, and practices.

Publications

We produce, update, and distribute free fact sheets, guidebooks, and informational tools on critical issues industry professionals and youth alike need. Publications are also written and designed to be youth-friendly so youth can better understand the content and access benefits and services.

High-Quality Legal Representation

We provide independent, personalized guidance, brief advice, and quality representation to ensure more youth receive the representation they need and deserve and to be sure they have a voice in the proceedings that shape their lives.

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE A – NATURE OF ACTIVITIES - continued

Florida Youth SHINE

The award-winning Florida Youth SHINE program offers empowerment, leadership, mentorship, and advocacy opportunities to young individuals aged 13-26 in the child welfare system and that experienced homelessness. Through comprehensive leadership training, engagement with positive mentor role models, a curriculum crafted to address their unique needs, and one-of-a-kind opportunities, youth conquer challenges, gain confidence, and emerge as goal-oriented, accomplished young adults. Emboldened by their FYS experiences, these young change-makers drive positive change and enhance the child welfare system by elevating and amplifying their voices and leading their peers in care.

FCF Impacts and Achievements:

All of our work has made positive changes in the lives of thousands of children in Florida. More importantly, these changes continue to have a ripple effect that impacts more and more youth each year and educates thousands of additional professionals and countless citizens about issues and solutions for children in care.

By filling a critical void in the child welfare system, our work each year benefits children, families and the community in ways that are substantial and life-changing for thousands.

By Impacting Laws & Policies we have:

- Secured the option for youth to remain in foster care until age 21.
- Paved the way for FREE in-state college tuition until age 28 for youth from foster care, relative care, or those experiencing homelessness.
- Made obtaining a driver's license and insurance possible for youth in foster care.
- Enhanced youth representation in court decisions.
- Removed barriers to normalcy, allowing participation in activities like sports and sleepovers – becoming a national model.
- Spearheaded laws to support sibling unity.
- Reduced overmedication and unnecessary psychotropic drug prescriptions.
- Fought for rights of sex-trafficked children, ensuring they receive appropriate services.

Additionally:

- 26,349 people have been educated and trained on important child welfare topics
- 45 publications created on children's rights and vital issues impacting them
- 38 amicus briefs filed
- 41 child protection bills passed
- 100,000+ hours of youth advocacy, training, education and empowerment provided
- \$7885,872 in professional services donated to help children and families and
- 16,754 pro bono hours helping children
- Youth provided quality legal representation

By filling a critical void in the child welfare arena, each year our work benefits children, families, and the community in ways that are substantial and life-changing for thousands.

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2023 and 2022

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.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair values in the statement of financial position. Net investment return/loss is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Accounts Receivable and Promises to Give

Accounts receivable are carried at face amounts less an allowance for doubtful accounts. On a periodic basis, they are evaluated and an allowance for doubtful accounts is established based on a combination of specific circumstances, credit conditions and our history of write-offs and collections. No allowance for the accounts receivable was deemed necessary. Unconditional promises to give were all payable in less than one year. Based on history and managements analysis no allowance was deemed necessary.

Donated Services

Donated services (in-kind donations) are recognized as contributions 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.

Revenue and Revenue Recognition

Revenue is recognized when earned. Payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures incurred, respectively. 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.

Net Assets

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

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use in general operating operations and are not subject to donor or grantor restrictions. There were no designations, by the board or management, of net assets without donor restrictions at December 31, 2023 or 2022.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor/grantor imposed, time and/or purpose restrictions.

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Organization reports gifts of cash, grants, and other assets as revenue with donor restrictions if they are received with stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net asset without donor restriction and reported in the statement of activities as net assets released from restrictions.

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. Expenses that are allocated include occupancy, depreciation, allocated on square footage of use, payroll and related expenses, professional, office expenses which are allocated on a basis of estimates of time and effort.

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 life 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 years ended December 31, 2023, or 2022.

Evaluation of Subsequent Events

The Organization has evaluated subsequent events through October 7, 2024, the date which the financial statements were available to be issued.

Adoption of New Accounting Principle

In 2022, the Organization adopted Accounting Standards Update 2016-02, Leases, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. As a result, adopting ASU 2016-02 had no impact on beginning net assets. See Note J.

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2023 and 2022

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

Florida's Children First, Inc. received \$241,449 and \$295,415 in donated services for program related matters during the years ended December 31, 2023, and 2022, respectively.

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

	<u>2023</u>	<u>2022</u>
Professional fees - legal	\$ 194,449	\$ 251,665
Professional fees - accounting	8,750	8,750
Professional fees - other	55,750	38,250
	<u>\$ 258,949</u>	<u>\$ 298,665</u>

NOTE F - DONOR RESTRICTED NET ASSETS

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

	<u>12/31/2022</u>	<u>Contributions</u>	<u>Released</u>	<u>12/31/2023</u>
Litigation of children's rights	\$ 105,000	\$ 4,950	\$ -	\$ 109,950
Time restricted 2023	-	190,044	-	190,044
Publication and printing	2,950	-	-	2,950
Florida Bar Foundation:				
Legal assistance children	62,250	300,000	287,250	75,000
	<u>\$ 170,200</u>	<u>\$ 494,994</u>	<u>\$ 287,250</u>	<u>\$ 377,944</u>

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE G – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 18,983	\$ 16,951
Accumulated depreciation	<u>(16,486)</u>	<u>(15,277)</u>
	<u>\$ 2,497</u>	<u>\$ 1,674</u>

The aggregate property and equipment depreciation charged to operations was \$1,209 and \$685 in 2023 and 2022, respectively.

NOTE H – INVESTMENTS

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 FASB issued guidance 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, 2023 or 2022.

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 2023 and 2022.

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE H – INVESTMENTS - continued

The Organization investments are summarized below:

<u>2023</u>			
	<u>Level 1</u>	<u>Investment Return, net</u>	
Mutual Funds	\$ <u>521,822</u>	Interest/dividends	\$ 17,664
		Gains/(losses) market	22,833
		Fees on investments	<u>(4,545)</u>
			\$ <u>35,952</u>
<u>2022</u>			
	<u>Level 1</u>	<u>Investment Return, net</u>	
Mutual Funds	\$ <u>443,752</u>	Interest/dividends	\$ 13,516
		Gains/(losses) market	(91,983)
		Fees on investments	<u>(4,735)</u>
			\$ <u>(83,202)</u>

NOTE I – COMMITMENTS

In April 2022, the Organization entered into a three-year employment contract with the Executive Director. This contract can be terminated prior to expiration with a 90-day notice.

In August 2022, the Organization entered into a 1-year agreement with a lobbyist. The contract automatically renews, unless canceled by either party 30 days prior to the expiration date.

NOTE J – LEASES

In 2022, the Organization adopted Accounting Standards Update 2016-02, Leases, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. As a result, adopting ASU 2016-02 had no impact on beginning net assets. The adoption of this standard resulted in the recording of an operating lease asset and liability of \$46,403, and a finance lease asset and liability of \$15,811, at January 1, 2022. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended December 31, 2022.

The Organization entered into an operating lease for office space in Coral Springs, Florida effective November 2, 2015, for a twenty-six month period, with the option to renew through November 30, 2023. Monthly rent was \$2,125. This lease was not renewed beyond November 2023.

The Organization entered into an operating lease for office space in Boca Raton, Florida effective November 1, 2023, for a thirty-six month period. Monthly rent is \$2,936.

The Organization entered into a finance lease for a copier under an agreement effective February 25, 2020, for a sixty-three month period. Monthly rent was \$398 plus additional usage and maintenance fees. This lease was terminated in March 2023. The aggregate finance lease depreciation charged to operations was \$1,193 in 2023.

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE J – LEASES – continued

The Organization entered into a finance lease for a copier under an agreement effective April 11, 2023, for a sixty-three month period. Monthly rent was \$405 plus additional usage and maintenance fees. The aggregate finance lease depreciation charged to operations was \$3,645 in 2023.

The following summarizes the line items in the statement of financial position which include amounts for operating and finance leases as of December 31, 2023:

<u>Operating Leases</u>	
Operating lease right of use asset	<u>\$ 103,038</u>
Operating lease right of use liability	<u>\$ 103,038</u>
<u>Finance Leases</u>	
Finance lease property and equipment net of accumulated depreciation	<u>\$ 21,870</u>
Finance lease liability	<u>\$ 21,870</u>
Total leases	<u>\$ 124,908</u>

Future minimum commitments for the above leases are as follows as of December 31:

2024	\$ 40,608
2025	41,671
2026	36,348
2027	5,196
2028	<u>2,430</u>
Total lease payments	126,253
Less interest	<u>1,345</u>
Present value of lease liabilities	<u>\$ 124,908</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023:

Weighted Average Remaining Lease Term	
Operating leases	3 Years
Finance leases	5 Years
Weighted Average Discount Rate	
Operating leases	1.04%
Finance leases	1.55%

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE K – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization maintains a policy of operating within a prudent range of financial soundness and stability, structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due and operating within the annual approved budget. The Organization also received significant contributions restricted by donors, and considers contribution restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

The financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 292,191	\$ 187,305
Investments	521,822	443,752
Other receivables/pledges	<u>38,500</u>	<u>11,625</u>
Total financial assets available within one year	852,513	642,682
Less:		
Amounts unavailable for general expenditures within one year:		
Restricted by donors with purpose restrictions	<u>377,944</u>	<u>170,200</u>
Total financial assets available to management within one year	<u>\$ 474,569</u>	<u>\$ 472,482</u>

NOTE M – 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's contribution was \$4,677 and \$8,063 for December 31, 2023, and 2022, respectively. Amounts are remitted at the same frequency as payroll is paid.

NOTE N – JOINT COST THAT INCLUDE FUNDRAISING APPEAL

The Organization holds regional events in Florida to promote awareness, education, and a call to action by those in attendance to address the problems faced by these dependent children. Attendance is broad and includes the legal community, children in the system and others. The events call for recruits, training, and support of lawyers for dependent children, and public education and advocacy. Children and youth share their stories and give a voice and put a face on their issues.

FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE N – JOINT COST THAT INCLUDE FUNDRAISING APPEAL - continued

For the years ended December 31, 2023 and 2022 the cost of these events was allocated among the following functional expense categories.

	<u>2023</u>	<u>2022</u>
Improving child welfare	\$ 31,373	\$ 33,178
Improving services outcomes older youth	31,373	33,178
Management and general	1,103	1,166
Fundraising	5,549	5,869
	<u>\$ 69,398</u>	<u>\$ 73,391</u>