

**FLORIDA'S CHILDREN FIRST, INC.**

FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT

Years Ended December 31, 2009 and 2008

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CERTIFIED PUBLIC ACCOUNTANT

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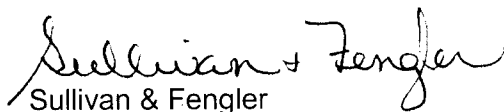
## Independent Auditor's Report

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

We have audited the accompanying statements of financial position of Florida's Children First, Inc. (Organization), (a nonprofit organization) as of December 31, 2009 and 2008, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our 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, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

  
Sullivan & Fengler  
Fort Lauderdale, Florida  
May 4, 2010

## **FINANCIAL STATEMENTS**

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

**ASSETS**

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$500,103	\$293,304
Investments	212,550	343,550
Unconditional promises to give	10,000	-
Prepaid insurance	2,592	2,592
Prepaid expenses	1,900	-
Property and equipment (less accumulated Depreciation of \$19,631 and \$11,092 in 2009 and 2008 respectively)	<u>7,020</u>	<u>14,523</u>
	<b>\$734,165</b>	<b>\$653,969</b>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 18,895	\$ 15,336
Commitments and contingencies	-	-
<b>Net Assets</b>		
Unrestricted net assets	480,736	470,633
Temporarily restricted net assets	234,534	168,000
Permanently restricted net assets	-	-
<b>TOTAL NET ASSETS</b>	<u>715,270</u>	<u>638,633</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$734,165</b>	<b>\$653,969</b>

The accompanying notes are an integral part of this statement.

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

<b>UNRESTRICTED NET ASSETS</b>		
Support	2009	2008
Contributions	\$ 246,147	\$ 195,454
Grants and awards	7,630	138,469
In-kind contributions	553,073	865,787
Total support	<u>806,850</u>	<u>1,199,710</u>
Revenue		
Investment and interest earnings	6,224	15,801
Other	7,723	10,537
Total revenue	<u>13,947</u>	<u>26,338</u>
	820,796	1,226,048
Net assets released from restrictions	<u>278,616</u>	<u>194,084</u>
Total unrestricted support and revenue	<u>1,099,413</u>	<u>1,420,132</u>
<b>Expenses</b>		
Program services:		
Improving child welfare	626,881	663,712
Improving services/outcomes for older youths	378,563	634,086
Total program expenses	<u>1,005,444</u>	<u>1,297,798</u>
Supporting services:		
Administrative and general	36,111	38,591
Fund raising	47,755	33,413
Total supporting services	<u>83,866</u>	<u>72,004</u>
Total functional expenses	<u>1,089,310</u>	<u>1,369,802</u>
Change in unrestricted net assets	<u>10,103</u>	<u>50,330</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Grants and awards	345,150	252,000
Restrictions satisfied	<u>278,616</u>	<u>194,084</u>
Change in temporarily restricted net assets	<u>66,534</u>	<u>57,916</u>
CHANGE IN NET ASSETS	76,637	108,246
NET ASSETS AT BEGINNING OF YEAR	<u>638,633</u>	<u>530,387</u>
NET ASSETS AT END OF YEAR	\$ 715,270	\$ 638,633

The accompanying notes are an integral part of this statement.

Florida's Children First, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2009

	PROGRAM SERVICES			SUPPORTING SERVICES			
	Improving Child Welfare	Improving Services/Outcomes Older Youth	Total	Management & General	Fund Raising	Total	Total
Contracted services/ payroll	\$ 153,950	\$ 157,130	\$ 311,080	\$ 17,059	\$ 30,110	\$ 47,169	\$ 358,249
Professional fees/legal	348,584	82,829	431,413	9,518	-	9,518	431,413
Professional fees/accounting							
Professional fees/other	34,402	99,946	134,348				134,348
Supplied/miscellaneous	9,349	2,636	11,985	665	666	1,331	13,316
Telephone	8,454	2,384	10,838	603	602	1,205	12,043
Website	3,572	1,531	5,103	637	637	1,274	6,377
Postage and delivery	1,874	625	2,499	324	2,382	2,706	5,205
Occupancy	19,172	5,408	24,580	1,365	1,366	2,731	27,311
Printing/publications			-		1,498	1,498	1,498
Travel/meetings			-	1,638		1,638	1,638
Special events	25,226	17,538	42,764			-	42,764
Public awareness/education	19,843	6,614	26,457		8,820	8,820	35,277
Other	1,815		1,815			-	1,815
Total Expense Before Depreciation	626,241	376,641	1,002,882	31,809	46,081	77,890	1,080,772
Depreciation	640	1,922	2,562	4,302	1,674	5,976	8,538
	\$ 626,881	\$ 378,563	\$ 1,005,444	\$ 36,111	\$ 47,755	\$ 83,866	\$ 1,089,310

The accompanying notes are an integral part of this statement.

Florida's Children First, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2008

	PROGRAM SERVICES			SUPPORTING SERVICES			
	Improving Child Welfare	Improving Services/Outcomes Older Youth	Total	Management & General	Fund Raising	Total	Total
Contracted services/payroll	\$ 143,792	\$ 125,020	\$ 268,812	\$ 28,580	\$ 14,280	\$ 42,860	\$ 311,672
Professional fees/legal	438,889	475,464	914,353	2,067	2,067	4,134	918,487
Supplies/miscellaneous	5,673	1,600	7,273	404	404	808	8,081
Telephone	6,856	1,934	8,790	489	488	977	9,767
Website	1,533	657	2,190	274	273	547	2,737
Postage and delivery	1,997	666	2,663	346	2,538	2,884	5,547
Occupancy	16,967	4,786	21,753	1,208	1,209	2,417	24,170
Printing/publications	8,845	2,495	11,340	630	630	1,260	12,600
Travel/meetings	4,646	6,969	11,615	722	568	1,290	12,905
Special events	15,254	6,538	21,792		1,147	1,147	22,939
Public awareness/education	18,684	6,228	24,912		8,304	8,304	33,216
Total Expense Before Depreciation	663,136	632,357	1,295,493	34,720	31,908	66,628	1,362,121
Depreciation	576	1,729	2,305	3,871	1,505	5,376	7,681
	\$ 663,712	\$ 634,086	\$ 1,297,798	\$ 38,591	\$ 33,413	\$ 72,004	\$ 1,369,802

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>2009</u>	<u>2008</u>
Change in net assets	\$ 76,637	\$108,246
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,538	7,681
<Increase> decrease in operating assets:		
Promise to give	<10,000>	-
Prepaid expenses	<1,900>	<591>
Increase <decrease> in operating liabilities:		
Accounts payable and accrued expenses	<u>3,560</u>	<u>&lt;1,556&gt;</u>
Net assets provided by operating activities	<u>76,835</u>	<u>113,780</u>
Cash flows from <to> investing activities		
Sale of Investments	343,550	128,000
Investments purchased	<212,550>	<151,050>
Purchase of furniture and equipment	<u>&lt;1,036&gt;</u>	<u>&lt;5,147&gt;</u>
Net asset used by investing activities	<u>129,964</u>	<u>&lt;28,197&gt;</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	206,799	85,583
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>293,304</u>	<u>207,721</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$500,103	\$293,304
SUPPLEMENTAL DATA		
Interest/taxes paid	\$ -	\$ -

The accompanying notes are an integral part of these statements.

## **NOTES TO FINANCIAL STATEMENTS**

# FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2009 and 2008

## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 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.

### Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Unconditional promises to give were all payable in less than one year.

### Financial Statement Presentation

The Organization reports 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.

Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently, but permit the Organization to use, or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

Temporarily restricted net assets contain donor-imposed restrictions that permit the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the Organization.

Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have expired.

### 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.

### 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, 2009 and 2008

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Contributions

Contributions are recognized as income when they become unconditional promises to contribute, at their fair values.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods and restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support and increase those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restrictions that expire in the same reporting period are classified as unrestricted support.

#### Donated Assets/ Services

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated Services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Florida's Children First, Inc. received \$431,413 and \$672,968 in donated services for program related legal matters during the year ended December 31, 2009 and 2008 respectively.

Florida's Children First, Inc. received \$134,348 and \$91,833 in program related services from other professionals during the year ended December 31, 2009 and 2008 respectively.

The Organization had various other smaller donated services for facilities and other program expenses during 2009 and 2008.

The Organization has volunteers who have donated significant amounts of their time to Florida's Children First, Inc.'s fundraising campaigns. Such contributed services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

#### Advertising

The Organizations policy is to expense costs as incurred. There were no expenditures in 2009 or 2008 for advertising.

## FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2009 and 2008

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### 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 of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Income Taxes

The Organization is exempt from federal income tax under section 501 (c)(3) of the Internal Revenue Code and therefore has made no provision for federal income tax in the accompanying financial statements. There was no unrelated business income or deferred taxes for 2009 or 2008.

### NOTE B – 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 C – COMMITMENTS

In March 2009 Florida's Children First, Inc., entered into a one year lease for office space for \$1,400 per month, this lease expires February 2010. Commitments are \$2,800 for the year ended December 31, 2010. As of March 2010 the lease is on a month to month basis until Florida's Children First moves or renews its lease.

During August 2009 Florida's Children First, Inc. entered into a three year employment contract which commenced July 20, 2009. This contract can be terminated prior to expiration with two months severance pay, except if terminated for cause.

# FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2009 and 2008

## NOTE D- STATEMENT OF CASH FLOWS

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

## NOTE E – TEMPORARILY RESTRICTED NET ASSETS

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

	<u>12/31/2008</u>	<u>Contribution</u>	<u>Expended</u>	<u>12/31/2009</u>
Litigation of children's rights	\$105,000	\$ -	\$ -	\$105,000
Florida Bar Foundation Legal Assistance Children 2009-2010	63,000	285,150	276,862	71,288
Florida Bar Foundation Pilot Pro Bono Grant	-	60,000	1,754	58,246
	<u>\$168,000</u>	<u>\$345,150</u>	<u>\$278,616</u>	<u>\$234,534</u>

## NOTE F - INVESTMENTS

Investments are stated at fair value in the statement of financial position. Interest is recognized when the certificate matures. The Organization investments are summarized below:

### 2009

Certificates of Deposit:

Farmers & Merchants	\$ 97,362
Sun Trust	63,064
Pro Bank	<u>52,124</u>
	\$212,550

### 2008

Certificates of Deposit:

Merrill Lynch	\$131,000
Farmers & Merchants	97,362
Sun Trust	63,064
Pro Bank	<u>52,124</u>
	\$343,550

## FLORIDA'S CHILDREN FIRST, INC.

Notes to Financial Statements

December 31, 2009 and 2008

### NOTE G – RELATED PARTY

Florida's Children First, Inc. hired a current board member as a consultant for \$1,000 per month. This consultant was paid \$12,000 during 2009 and 2008.

Florida's Children First, Inc. hired a previous board member as a consultant for \$1,000 per month. This consultant was paid \$9,000 and \$12,000 during 2009 and 2008 respectively.

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>2009</u>	<u>2008</u>
Furniture and equipment	\$26,651	\$25,615
Accumulated depreciation	<u>&lt;19,631&gt;</u>	<u>&lt;11,092&gt;</u>
	\$ 7,020	\$14,523

The aggregate depreciation charged to operations was \$8,538 and \$7,681 in 2009 and 2008 respectively.