

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

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

**Years Ended December 31, 2015 and 2014**

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## **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, 2015 and 2014, 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, 2015 and 2014, 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  
June 6, 2016

## **FINANCIAL STATEMENTS**

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

**ASSETS**

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents (Note A)	\$ 53,536	\$ 56,546
Investments (Note F)	381,142	434,113
Unconditional promises to give - less than One year (Note A)	-	5,000
Prepaid insurance	577	3,959
Prepaid expenses	1,000	2,900
Security deposits	1,821	-
Property and equipment (less accumulated Depreciation of \$29,398 and \$28,331 in 2015 and 2014 respectively)(Note H)	<u>2,839</u>	<u>2,353</u>
<b>TOTAL ASSETS</b>	<b><u>\$440,915</u></b>	<b><u>\$504,871</u></b>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 21,463	\$ 17,482
Deferred revenue	-	-
<b>TOTAL LIABILITIES</b>	<b><u>21,463</u></b>	<b><u>17,482</u></b>
 Commitments and contingencies	 -	 -
 Net Assets		
Unrestricted net assets	267,477	273,441
Temporarily restricted net assets (Note E)	151,975	213,948
Permanently restricted net assets	-	-
<b>TOTAL NET ASSETS</b>	<b><u>419,452</u></b>	<b><u>487,389</u></b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u>\$440,915</u></b>	 <b><u>\$504,871</u></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		
Contributions	2015	2014
Grants and awards	\$ 340,459	\$ 331,681
In-kind contributions (Note B,D)	57,498	62,447
Total support	<u>341,657</u>	<u>320,715</u>
Revenue		
Return on investments (Note F)	<3,110>	10,170
Net assets released from restrictions	<u>241,473</u>	<u>186,434</u>
Total unrestricted support and revenue	<u>977,977</u>	<u>911,447</u>
Expenses		
Program services:		
Improving child welfare	523,487	493,620
Improving services/outcomes for older youths	358,469	354,114
Total program expenses	<u>881,956</u>	<u>847,734</u>
Supporting services:		
Administrative and general	38,397	43,120
Fund raising	63,588	73,594
Total supporting services	<u>101,985</u>	<u>116,714</u>
Total functional expenses	<u>983,941</u>	<u>964,448</u>
Change in unrestricted net assets	<u>&lt;5,964&gt;</u>	<u>&lt;53,001&gt;</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Grants and awards (Note E)	179,500	247,710
Net assets released from restriction	<u>&lt;241,473&gt;</u>	<u>&lt;186,434&gt;</u>
Change in temporarily restricted net assets	<u>&lt;61,973&gt;</u>	<u>61,276</u>
Change in permanently restricted net assets	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	<b>&lt;67,937&gt;</b>	<b>8,275</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b><u>487,389</u></b>	<b><u>479,114</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 419,452</u></b>	<b><u>\$ 487,389</u></b>

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>2015</u>	<u>2014</u>
Change in net assets	\$<67,937>	\$ 8,275
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,066	897
Unrealized change in investments	17,226	<1,733>
<Increase> decrease in operating assets:		
Promise to give	5,000	5,000
Prepaid insurance	3,382	<3,833>
Prepaid expenses	1,900	<1,900>
Security deposit paid	<1,821>	-
Increase <decrease> in operating liabilities:		
Deferred revenue	-	-
Accounts payable and accrued expenses	<u>3,981</u>	<u>1,340</u>
Net assets <used> provided by operating activities	<u>&lt;37,203&gt;</u>	<u>8,046</u>
Cash flows from <to> investing activities		
Sale of Investments	53,836	29,252
Investments purchased	<18,091>	<37,254>
Purchase of furniture and equipment	<u>&lt;1,552&gt;</u>	<u>&lt;2,684&gt;</u>
Net asset provided <used> by investing activities	<u>34,193</u>	<u>&lt;10,686&gt;</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>&lt;3,010&gt;</u>	<u>&lt;2,640&gt;</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>56,546</u>	<u>59,186</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 53,536</u>	<u>\$ 56,546</u>
SUPPLEMENTAL DATA		
Interest/taxes paid	<u>\$ -</u>	<u>\$ -</u>

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, 2015 and 2014

**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 13 statewide Chapters of approximately 300 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.

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.

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.

## FLORIDA'S CHILDREN FIRST, INC.

### Notes to Financial Statements

December 31, 2015 and 2014

#### NOTE A – NATURE OF ACTIVITIES - continued

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 almost \$5,000,000 in professional services. FCF has trained over 18,052 people across Florida on important issues concerning our children. Florida's Children First has received over 10,600 hours of pro bono (free) hours from lawyers across the state. We have also provided over 62,834 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 24 bills drafted, supported or passed.

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:

- FCF engaged in multi-year advocacy to establish a statutory right to counsel for children in dependency proceedings. In 2013 we were able to get a legislative appropriation and proviso language providing for counsel for dependent children in, or facing placement in nursing homes. In 2014 we secured passage of HB 561, Counsel for Dependent Children with Special Needs which provides the right to appointment of counsel for dependent children in 5 categories. In 2016 we secured continued legislative funding. We continue our work on implementation of the law.
- FCF created FLORIDA (Florida's Legal Online Resource, Information Driven Access) For Children and Families ([www.F4CF](http://www.F4CF)) an Children's Registry, FCF invited them to join its resource, FLORIDA for Children and Families 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 ([www.F4CF.org](http://www.F4CF.org)).

## FLORIDA'S CHILDREN FIRST, INC.

### Notes to Financial Statements

December 31, 2015 and 2014

#### NOTE A – NATURE OF ACTIVITIES - continued

- **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.

#### **Improving Outcomes for Older Youth:**

FCF gives a voice to the youth, teaching children in care and those who have left care to become the face for all issues, this 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 12 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 bills that require all children leaving care to obtain their own, personal records, and in improving educational stability.

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.

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

Notes to Financial Statements

December 31, 2015 and 2014

## **NOTE A – NATURE OF ACTIVITIES - continued**

Some of our other amazing recent accomplishments in the area of improving outcomes for older children has been FCF and FYS's several years of work in educating the public and the legislature to finally extend foster care from age 18 to age 21. Florida Youth SHINE was the driving force behind this landmark policy change. And the public and the legislature listened. The law was passed, effective January, 2014, that allows children to choose to remain in foster care until they are ready to be on their own. Getting these major changes does not end our work. In fact, the real work is about to begin. FCF and FYS must be involved in the rulemaking process, continue to carefully scrutinize the system to see that the law is properly implemented, train professionals across the state on the new law and policies and procedures, draft publications, make appearances, be the watchdog and drive the system to continue to do better for our children.

### **Improving General Child Welfare**

Florida's Children First is the go-to organization when seeking solutions to problems in child welfare. FCF is actively involved in helping professionals across Florida join together to review proposed agency rules and to draft comments and suggestions, with the ability to appeal if the rule doesn't comport with the law. FCF takes the lead in presenting training materials during each step of the process of change, making sure that the children and youth, public and professionals are aware of the issues and progress. This results in a wealth of published materials, most of which can be easily and freely accessed on our website for use by all.

Florida's Children First also makes the legal representation of children a top priority. Sadly, Florida is one of only 10 states that do not provide for paid counsel for children whose lives are being disrupted and decided in a court of law. To help rectify this problem, FCF works diligently to recruit and train lawyers across the state to provide free legal services for our children. FCF has provided live and videotaped training and training materials on the various aspects of dependency proceedings in Florida, mentors attorneys who handle individual cases and link lawyers together who have a common issue.

FCF has helped train hundreds of lawyers who volunteer their time. We developed outstanding training videos and materials, with continuing legal credit given to the participant lawyers from the Florida Bar. The topics include, but are not limited to disability rights, the overuse of psychotropic medication on topics.

Most important is the ability of FCF to be extremely flexible – ready and able to tackle an immediate problem or issue by access to its hundreds of resources of people and materials. When the lives of children are at stake, a quick response and immediate action are necessary. Florida's Children First is the one and only organization in Florida that can motivate many youth as well as knowledgeable professionals at a moment's notice, and has the ability to work within and outside the system to get the desired results, often in a very quick time with extensive, positive outcomes.

## FLORIDA'S CHILDREN FIRST, INC.

### Notes to Financial Statements

December 31, 2015 and 2014

#### NOTE A – NATURE OF ACTIVITIES - continued

This work continues daily and the good results that help children continue to be achieved.

Examples of the training opportunities/presentations by Florida's Children First include:

- Dependency Training for Children's Attorneys
- How to be an Effective Advocate
- Arrest and Conviction of Dependent Youth
- Child on Child Sexual Abuse
- Human Trafficking and Children in Care
- Medical and Educational Rights of Foster Youth
- Making the Most out of Medicaid, Mid-Decade

Examples of training opportunities/presentations by Florida Youth SHINE:

- We Are Family - Even if I don't Have All My Brothers & Sisters With Me! (Sibling Separation)
- The Good, The Bad, and The Ugly - How Group Home Living Impacts Child Safety, Well-Being and Normalcy.
- We Can Talk, But Will You Listen? How Youth Can Be Empowered to Advocate for Themselves and Others in Care.
- So, You Came To Take Us Away: Now What? Trauma of Removal from Family, Friends, School
- From Babysitting to Parenting: How to Recruit and Train the Next Generation of Foster Parents.

#### 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.

##### 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.

**FLORIDA'S CHILDREN FIRST, INC.**  
Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

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, 2015 or 2014.

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 here was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2015 or 2014; therefore, no adjustment was made to the Association's financial statements at December 31, 2015 or 2014.



**FLORIDA'S CHILDREN FIRST, INC.**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

**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 \$341,657 and \$320,715 in donated services for program related matters during the year ended December 31, 2015 and 2014 respectively.

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

	<u>2015</u>	<u>2014</u>
Professional fees/legal	\$283,173	\$233,925
Professional fees/accounting	6,000	6,600
Professional fees/other	30,000	62,190
Public awareness/education	22,484	18,000
	<u>\$341,657</u>	<u>\$320,715</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>12/31/2014</u>	<u>Contribution</u>	<u>Expended</u>	<u>12/31/2015</u>
Litigation of children's rights	\$105,000	\$ -	\$ -	\$105,000
Arthur Foundation	-	12,500	1,025	11,475
Palank Foundation	21,833	25,000	46,833	-
State Farm	58,500	-	58,500	-
Florida Bar Foundation: Legal Assistance Children	28,615	142,000	135,115	35,500
	<u>\$213,948</u>	<u>\$179,500</u>	<u>\$241,473</u>	<u>\$151,975</u>

**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:

**FLORIDA'S CHILDREN FIRST, INC.**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

**NOTE F – INVESTMENTS - continued**

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, 2015 and 2014.

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 2014 and 2013.

The Organization investments are summarized below:

<b><u>2015</u></b>			
	<b>Fair</b>		
	<b>Market Value</b>	<b>Return on Investments</b>	
Mutual Funds	<b><u>\$381,142</u></b>	Interest/dividends	<b>\$18,096</b>
		Gains/losses market	<b>&lt;17,226&gt;</b>
		Fees on investments	<b>&lt;3,980&gt;</b>
			<b><u>\$&lt;3,110&gt;</u></b>
<b><u>2014</u></b>			
	<b>Fair</b>		
	<b>Market Value</b>	<b>Return on Investments</b>	
Mutual Funds	<b><u>\$434,113</u></b>	Interest/dividends	<b>\$12,544</b>
		Gains/losses market	<b>1,734</b>
		Fees on investments	<b>&lt;4,108&gt;</b>
			<b><u>\$10,170</u></b>

**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.

**FLORIDA'S CHILDREN FIRST, INC.**  
Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE H – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Furniture and equipment	\$32,237	\$30,684
Accumulated depreciation	<u>&lt;29,398&gt;</u>	<u>&lt;28,331&gt;</u>
	<u>\$ 2,839</u>	<u>\$ 2,353</u>

The aggregate depreciation charged to operations was \$1,066 and \$897 in 2015 and 2014 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 \$7,706 and \$7,763 for December 31, 2015 and 2014 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 for rental of office space future minimum commitments under this lease are as follows for the years ended December 31:

2016	\$ 20,000
2017	<u>20,600</u>
	<u>\$ 40,600</u>

**NOTE K – EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through June 6, 2016, the date which the financial statements were available to be issued.