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MANAGEMENT LETTER

The Board of Directors
Florida United Methodist Children's Home

In planning and performing our audit of the financial statements of Florida United Methodist Children's Home (the Organization) as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered Florida United Methodist Children's Home's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important to merit attention by those charged with governance. We consider the following deficiency in Florida United Methodist Children's Home's internal control to be a significant deficiency:

Recording Contributions

Observation

During our audit, we became aware of several Trust contributions made several years ago that were not recorded in the general ledger. This resulted in a significant prior period adjustment. We were informed that this occurred as a result of finance personnel not being aware that accounting principles require the perpetual Trust to be recorded.

Recommendation

We recommend that the Vice President of Finance maintain a complete file of all potential and actual contributions of all types and that active ones be monitored at least on a quarterly basis. This will insure that all contributions are recorded in the proper amounts and in the proper accounting period.

We have been informed by management that this procedure has been established by the Home in early 2012.

Additionally, we became aware of one matter that is an opportunity for strengthening internal control.

Check Register

Observation

During our review of cash procedures, we noted that check registers were not reviewed or approved prior to check signing. Also, any two authorized signers may sign checks with no limits on amounts.

Recommendation

We recommend that check registers should be reviewed and approved by the Vice President of Finance or, in his absence, the President. This procedure will allow senior officials with the necessary financial background to monitor and review expenditures. In addition, we recommend that the President must be one of the check signers for all expenditures in excess of \$20,000. This will allow the President to monitor and approve significant disbursements.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Schaefer, Tschoff, Whitcomb, Mitchell & Shuilen, LLP

Altamonte Springs, Florida
January 26, 2012