

**ANCHORAGE CHILDREN'S HOME  
OF BAY COUNTY, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
Anchorage Children's Home of Bay County, Inc.:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Anchorage Children's Home of Bay County, Inc., which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year 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.

### ***Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 risks 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 Anchorage Children's Home of Bay County, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

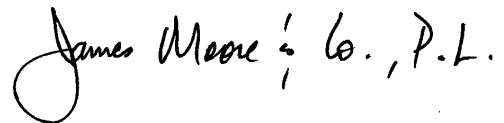
### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019 on our consideration of Anchorage Children's Home of Bay County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anchorage Children's Home of Bay County, Inc.'s internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida  
December 11, 2019

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2019**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 813,915
Investments	20,866
Grants, contracts, and other receivables, net	430,353
Prepaid expenses and other current assets	26,905
Total current assets	<u>1,292,039</u>
<b>Property and equipment, net</b>	1,191,661
<b>Total Assets</b>	<u><u>\$ 2,483,700</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Accounts payable	\$ 95,517
Accrued liabilities	188,153
Deferred revenue	37,618
Current portion of capital lease obligation	2,744
Total current liabilities	<u>324,032</u>
<b>Total Liabilities</b>	<u><u>324,032</u></u>
<b>Net assets</b>	
Without donor restrictions	2,058,419
With donor restrictions	101,249
Total net assets	<u>2,159,668</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 2,483,700</u></u>

The accompanying notes to the financial statements  
are an integral part of this statement.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and revenue</b>			
Contributions	\$ 939,150	\$ 99,310	\$ 1,038,460
Federal and state grants	4,048,417	-	4,048,417
Medicaid	46,337	-	46,337
Other state support	7,452	-	7,452
Insurance proceeds net of expenses	553,924	-	553,924
Special events	37,287	-	37,287
Other income	4,846	-	4,846
Net assets released from restrictions	-	-	-
Total support and revenue	<u>5,637,413</u>	<u>99,310</u>	<u>5,736,723</u>
<b>Expenses</b>			
Program services			
Hidle House	1,135,153	-	1,135,153
Street Outreach and Recovery	30,937	-	30,937
Transitional Living	188,218	-	188,218
Maternity Transitional Living	175,151	-	175,151
Sibling Home	614,095	-	614,095
Anchorage Family Counseling	284,686	-	284,686
Care Management	1,541,241	-	1,541,241
SNAP	164,876	-	164,876
Total program services	<u>4,134,357</u>	<u>-</u>	<u>4,134,357</u>
Administrative and general	465,907	-	465,907
Fundraising	136,752	-	136,752
Total expenses	<u>4,737,016</u>	<u>-</u>	<u>4,737,016</u>
<b>Increase in net assets</b>	<u>900,397</u>	<u>99,310</u>	<u>999,707</u>
<b>Net assets, beginning of year</b>	1,158,022	1,939	1,159,961
<b>Net assets, end of year</b>	<u>\$ 2,058,419</u>	<u>\$ 101,249</u>	<u>\$ 2,159,668</u>

The accompanying notes to the financial statements  
are an integral part of this statement.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Program Services</b>								
	<b>Street Outreach and Recovery</b>	<b>Transitional Living</b>	<b>Maternity Transitional Living</b>	<b>Sibling Home</b>	<b>Anchorage Family Counseling</b>	<b>Care Management</b>	<b>Care Management</b>	<b>SNAP</b>	<b>Total Program Services</b>
	<b>Hide House</b>								
Salaries	\$ 573,826	\$ 17,808	\$ 94,412	\$ 84,460	\$ 290,044	\$ 213,164	\$ 1,070,754	\$ 121,320	\$ 2,465,788
Payroll taxes and benefits	121,462	2,342	27,588	18,896	60,934	33,209	221,422	16,703	502,556
Automobile	10,287	248	6,588	7,278	13,674	147	18,524	5	56,751
Accounting and legal	2,486	106	506	506	1,281	997	4,492	197	10,571
Crafts, recreation and gifts	3,098	25	1,382	906	11,038	50	950	279	17,728
Contract services	10,055	55	75	38	7,850	646	-	2,410	21,129
License and permits	700	112	172	172	1,572	4	686	-	3,418
Books and subscriptions	25	-	30	-	203	-	119	-	377
School	629	-	-	-	5,575	-	-	-	6,204
Food	26,040	3,064	3,498	1,859	17,982	175	1,962	1,084	55,664
Household supplies	21,347	149	7,953	12,524	6,388	552	3,966	472	53,351
Insurance	26,417	1,921	3,358	3,438	9,660	2,543	16,444	1,743	65,524
Interest	-	-	-	-	-	-	-	-	-
Medical	82	232	2,192	726	230	-	10	-	3,472
Miscellaneous	11,696	566	5,982	3,675	9,776	1,930	12,595	164	46,384
Memberships and dues	31,531	1,000	20	20	-	-	-	-	32,571
Bad debt expense	-	-	-	-	77,739	-	-	-	77,739
Office	18,006	401	1,998	6,125	4,608	4,421	22,594	2,896	61,049
Personal items - clothing	3,471	54	841	600	4,913	-	4,250	-	14,129
Postage	859	20	2	2	34	83	1,675	14	2,689
Printing	11	6	3	3	24	71	-	35	153
Repairs and maintenance	31,606	-	1,489	4,434	6,450	568	16	815	45,378
Staff and program development	811	959	1,636	1,726	388	237	1,424	991	8,172
Staff travel	6,258	447	738	1,179	415	10,888	138,586	5,798	164,309
Telephone	7,868	1,254	1,887	1,903	5,724	1,969	19,935	1,298	41,838
Utilities	28,147	77	4,370	4,552	15,047	1,658	-	1,060	54,911
Events	-	-	-	-	-	-	-	-	-
Rent	166,704	6	20,544	19,228	51,797	10,818	819	6,936	276,852
Total expenses before depreciation	1,103,422	30,852	187,264	174,250	603,346	284,130	1,541,223	164,220	4,088,707
Depreciation	31,731	85	954	901	10,749	556	18	656	45,650
Total expense	<u>\$ 1,135,153</u>	<u>\$ 30,937</u>	<u>\$ 188,218</u>	<u>\$ 175,151</u>	<u>\$ 614,095</u>	<u>\$ 284,686</u>	<u>\$ 1,541,241</u>	<u>\$ 164,876</u>	<u>\$ 4,134,357</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(CONTINUED)**

Supporting Services				
	Administration and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 229,853	\$ 76,505	\$ 306,358	\$ 2,772,146
Payroll taxes and benefits	39,978	16,010	55,988	558,544
Automobile	48	-	48	56,799
Accounting and legal	15,780	763	16,543	27,114
Crafts, recreation and gifts	82	120	202	17,930
Contract services	16,579	168	16,747	37,876
License and permits	811	300	1,111	4,529
Books and subscriptions	974	-	974	1,351
School	-	-	-	6,204
Food	6,160	3,187	9,347	65,011
Household supplies	2,832	52	2,884	56,235
Insurance	6,000	686	6,686	72,210
Interest	734	-	734	734
Medical	-	-	-	3,472
Miscellaneous	15,151	1,804	16,955	63,339
Memberships and dues	1,539	727	2,266	34,837
Bad debt expense	-	-	-	77,739
Office	21,238	1,513	22,751	83,800
Personal items - clothing	-	-	-	14,129
Postage	436	14	450	3,139
Printing	1,190	-	1,190	1,343
Repairs and maintenance	3,542	359	3,901	49,279
Staff and program development	941	49	990	9,162
Staff travel	5,995	252	6,247	170,556
Telephone	2,530	906	3,436	45,274
Utilities	11,102	432	11,534	66,445
Events	-	29,852	29,852	29,852
Rent	72,514	2,821	75,335	352,187
Total expenses before depreciation	456,009	136,520	592,529	4,681,236
Depreciation	9,898	232	10,130	55,780
Total expense	\$ 465,907	\$ 136,752	\$ 602,659	\$ 4,737,016

The accompanying notes to financial statements  
are an integral part of this statement.



**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<b>Cash flows from operating activities</b>	
Cash received from grantors, contractors, and contributors	\$ 4,384,176
Cash paid to employees, vendors, and subcontractors	(4,304,597)
Interest received	530
Interest paid	(734)
Insurance proceeds received for operating losses	466,110
Net cash provided by operating activities	<u>545,485</u>
<b>Cash flows from investing activities</b>	
Insurance proceeds for damages to property and equipment	553,924
Purchases of property and equipment	(720,184)
Net cash used in investing activities	<u>(166,260)</u>
<b>Cash flows from financing activities</b>	
Payments of principal on obligations under capital lease	(3,176)
Net cash used in financing activities	<u>(3,176)</u>
<b>Net increase in cash and cash equivalents</b>	<u>376,049</u>
<b>Cash and cash equivalents, beginning of year</b>	437,866
<b>Cash and cash equivalents, end of year</b>	<u>\$ 813,915</u>
<b>Reconciliation of increase in net assets to net cash provided by operating activities</b>	
Increase in net assets	<u>\$ 999,707</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	55,780
Loss on disposal of property and equipment	53,986
Gain on insurance proceeds received for damage to property and equipment	(553,924)
Donation of property and equipment	(56,540)
Unrealized loss on investment	2,800
Increase in grants, contracts, and other receivables	(30,913)
Increase in prepaid expenses and other current assets	(7,383)
Increase in accounts payable	53,657
Increase in accrued expenses	25,810
Increase in deferred revenue	2,505
Total adjustments	<u>(454,222)</u>
<b>Net cash provided by operating activities</b>	<u>\$ 545,485</u>
<b>Supplemental schedule of non-cash investing activities</b>	
Donation of property and equipment	<u>\$ 56,540</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Anchorage Children's Home of Bay County, Inc. (the "Organization") which affect significant elements of the accompanying financial statements:

(a) **Organization and Purpose**—The Organization was incorporated in the State of Florida, in April 1983, for the purpose of establishing and operating a group home and shelter for the abused, neglected, and homeless children of Bay County. The Organization provides the following programs:

**Hide House** – A short-term crisis/emergency shelter, Hide House provides 24 hour awake supervision to adolescents 10 to 17 years of age, furnishing food, clothing, shelter, and counseling. Runaways and other troubled youth are accepted as walk-ins, through referral from the family, school, law enforcement, and other sources within the community. The purpose is to reunite the youth with their family, and keep the youth out of the delinquency and dependency systems. Youth who have been removed from their home due to allegations of abuse, or youth who are in the foster care systems are referred through the Florida Department of Children and Families or Big Bend Community Based Care, Inc. for up to a 30 day stay. The purpose is to provide a safe environment for youth while the Florida Department of Children and Families investigates the family and/or locates an alternative living arrangement for the youth.

**Anchorage Family Counseling** – When children, ages 6 to 17 years old, and their families need help with developing and strengthening their relationships at home, this program provides individual, family, and group counseling, and case management. Services are provided in the home, at school, and in our offices for up to 12 weeks. Counselors also provide group counseling services in some area high schools for high-risk youth.

**Street Outreach and Recovery** – Specialists go to the beach, neighborhoods, and streets to find the youth, up to 21 years old, at greatest risk for sexual exploitation and abuse. By providing them survival aid and access to critical services, staff engage these youth by developing trusting relationships in an effort to facilitate their leaving street life. The following program is included in the amounts reported as "Street Outreach and Recovery" on the statement of activities and the statement of functional expenses:

**Safe Place** – A nationwide program uniting businesses and runaway shelters, this program provides a safety net for youth on the streets to gain immediate access to safe shelter. Businesses where youth congregate or are easily accessible to youth demonstrate their partnership to provide transportation to shelter through volunteers. They post obvious bright yellow signs on their buildings to demonstrate their participation in this program.

**Transitional Living** – This transitional living program serves up to 6 youth residentially and 14 youth in non-residential services at a given time. These youth, ages 16 to 21 years old, continue or complete their education, establish employment, and develop essential life skills during the course of this 18 month program.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(a) **Organization and Purpose** (Continued)

**Maternity Transitional Living** – Apartment based living for homeless teens age 16 to 22 who are pregnant or have had their baby within 6 months. This program provides a safe place to live while staff help youth develop adequate life skills leading to independence and successful parenting.

**Sibling Home** – The Sibling Group Home enables sibling groups of kids aged 6 to 12 to stay together and be closer to their immediate family while they work on building healthy relationships and restoring the broken family unit. The goal of the program is to keep the children together and offer a safe, home-like environment allowing their parents to work a case plan with goals of reunification being the final result. Children will attend school and have opportunities to engage in extracurricular activities as available to them. House parents will be onsite 24/7 and will be professional caretakers who will work effectively within the context of child development to bring about positive change in the child's life. The program will coordinate a Family Visitation Model to coordinate and encourage family visits while children are living in the home.

**Care Management** – When children, birth to 17 years old, who have been found to be abused, neglected, or abandoned need protection and support, our Care Management program provides child protective supervision, foster care case management, and intensive family intervention. As a partner of the Big Bend Community Based Care, Inc. system of care, the Organization provides care management in Calhoun, Holmes, Jackson, and Washington counties.

**SNAP** – SNAP stands for Stop Now and Plan. It helps troubled children and their parents learn how to effectively manage their emotions and keep problems small. The gender sensitive SNAP program is designed for children ages 6 to 11 who are engaging in aggressive, anti-social behavior and/or have come into contact with authority figures at school or in the community.

(b) **Property and Equipment**—Property and equipment acquired by the Organization is considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. The Federal Government has a reversionary interest in those assets purchased with its funds which have cost of \$5,000 or more and an estimated useful life of at least one year.

Property and equipment with a value greater than \$500 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair market value when contributed.

Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from 5 to 50 years.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Income Taxes**—The Organization is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for Federal income taxes has been made in the accompanying financial statements.

The Organization files income tax returns in the U.S. Federal jurisdiction. The Organization's income tax returns for the past three years are subject to examination by taxing authorities and may change upon examination.

The Organization has reviewed and evaluated the relevant technical merits of each of their tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

(d) **Cash and Cash Equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits held with banks, and short-term investments with original maturities of 90 days or less.

(e) **Use of 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.

(f) **Basis of Accounting**—The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

(g) **Basis of Presentation**— Net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions—Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Organization and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. As of June 30, 2019, donor-imposed restrictions that are perpetual in nature totaled \$1,939.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Functional Allocation of Expenses**—The cost of providing the various services and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

(i) **Contributions**—All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases this net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

(j) **Contributed Facilities, Services and Other Support**— The Organization occupies without charge certain premises for which the estimated fair rental value is reported as contributions and rental expense in the period in which the premises are used. In addition, contributed materials and supplies are reported as contributions and related expense at their estimated fair market value in the period in which they are donated.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the entity has adopted a policy of not implying a time restriction on contributions of such assets; consequently, all contributions of property and equipment, and of the assets contributed to acquire property and equipment, are recorded as unrestricted support or contributions.

The value of donated professional services is included as contributions and related expense in the financial statements. The value of these donations is based upon the fair market value at the date of donation. In addition, the Organization receives a significant amount of donated services from unpaid volunteers who assist the Organization. No amounts have been recognized in the statement of activities because the criteria for recognition has not been satisfied.

(k) **Accrued Leave**—The Organization compensates its employees for unused paid time off upon termination of employment. The amount of the change in accrued paid time off for all employees from one year to the next is reported as an expense during the current year.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(l) **Investments**—Investments are carried at fair value. Fair values are generally based on quoted market prices or appraised value. Realized and unrealized gains or losses are reflected in the statement of activities.

(m) **Grants, Contracts, and Other Receivables**—Grants, contracts, and other receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers, grantors, and contractors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

(n) **Revenue Recognition**—The Organization receives all of its grant and contract revenue from Federal, state and local agencies. The Organization recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract.

(o) **Deferred Revenue**—The Organization records grant/contract receipts as a deferred revenue until it is expended for the purpose of the grant/contract, at which time it is recognized as revenue. The balance in deferred revenue represents amounts received under cost reimbursable contracts that will be expended in the next fiscal year in accordance with the grant/contract period.

(2) **Significant Funding Sources:**

The Organization receives a substantial amount of its funding from the State of Florida, Department of Juvenile Justice as passed through the Florida Network of Youth and Family Services and the U.S. Department of Health and Human Services, passed through the Florida Department of Children and Families and Big Bend Community Based Care, Inc. A significant reduction in the level of this funding, if it were to occur, could have an adverse effect on the Organization's programs and activities.

(3) **Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

(a) **Demand Deposits**—The Organization maintains cash deposits with a financial institution. The Organization has no policy requiring collateral or other security to support its deposits, although all demand deposits with this institution is Federally insured up to FDIC limits.

(b) **Grants, Contracts, and Other Receivables**—The Organization's receivables are for amounts due under contracts with local, state, Federal government agencies, and others. The Organization has no policy requiring collateral or other security to support its receivables.

(c) **Financial Instruments**—Financial instruments that potentially subject the Organization to concentrations of credit risk include investments. The investments are held in high quality institutions and companies with high credit ratings.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(4) **Property and Equipment:**

The following is a summary of property and equipment at June 30, 2019:

Land	\$ 75,000
Buildings and improvements	678,161
Furniture and fixtures	128,028
Machinery and equipment	140,511
Leasehold improvements	389,443
Vehicles	79,226
	<u>1,490,369</u>
Less: accumulated depreciation and amortization	298,708
Total	<u>\$ 1,191,661</u>

(5) **Capital Lease:**

The Organization has entered into a lease agreement as a lessee for financing office equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of its inception date. Leased equipment under capital lease obligations of \$9,232 is included in property and equipment at June 30, 2019. Accumulated depreciation related to the equipment is \$2,308 at June 30, 2019. Depreciation expense related to the equipment and included in the Statement of Activities for the year ended June 30, 2019 was \$923. The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2019 were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 2,933
2021	-
2022	-
2023	-
2024	-
Thereafter	-
Total minimum lease payments	<u>2,933</u>
Less: Amount representing interest	189
Present value of net minimum lease payments	<u>\$ 2,744</u>

The interest rate on the capital lease is at 16.29% and is imputed based on the lower of Organization's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(6) **Operating Leases:**

The Organization leases vehicles and the building under operating leases expiring at various years through 2023. Rent expense for the vehicles and building for the year ended June 30, 2019 amounted to \$100,083. Minimum future lease payments under the non-cancelable operating leases for each of the next five years are as follows:

Year Ending June 30,	Amount
2020	\$ 92,861
2021	72,927
2022	66,569
2023	11,095
2024	-
Thereafter	-
Total	\$ 243,452

(7) **Fair Value Measurements:**

The Fair Value Measurements and Disclosures Topic of the FASB Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Codification requires the use of valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the Codification establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A description of the valuation methodologies used for assets measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.



**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(7) **Fair Value Measurements:** (Continued)

The Organization maintained investments consisting of marketable securities recorded at fair value. Their fair value as of June 30, 2019 is summarized below:

	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>
Common stocks	\$ 25,623	\$ 20,866	\$ (4,757)

The stocks are valued at quoted market prices and deemed level 1 investments.

The following schedule summarizes the investment return in the Statement of Activities for the year ended June 30, 2019:

Net realized and unrealized gains (losses)	\$ (2,800)
--	------------

Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets.

(8) **Contingencies:**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government, the State of Florida, and pass-through grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

The Organization has fully and unconditionally guaranteed The Anchorage Foundation, Inc.'s ("Foundation") term loan. The term loan requires monthly payments of \$5,547 and matures August 24, 2022. The loan is collateralized by the Foundation's real estate. At June 30, 2019, the balance due on the term loan was \$453,961 and no payments are in arrears.

Litigation—The Organization has been named in a lawsuit. The Organization believes the claim has no merit and the current position is to vigorously contest any such claims or litigation. The Organization believes that resolution of this suit will not have a material adverse effect on its financial position.

(9) **Retirement Plan:**

The Organization sponsors a 401(k) retirement plan. All employees over 21 years old with at least 1,000 hours of service within a 12 month fiscal year period are eligible to participate. Employees may contribute a maximum allowable for 401(k) plans and the Organization will match 25% of employee contributions up to 3% of the employee's annual gross salary. The Organization contributed \$19,299 to this plan for the fiscal year ended June 30, 2019.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(10) **Related Party:**

The Organization has an economic interest in Anchorage Foundation, Inc. from an unconditional guarantee of debt. Therefore, the Foundation is deemed a related party. A significant portion of the premises used by the Organization is owned by the Foundation. The Organization executed a lease agreement on September 1, 2012 with Anchorage Foundation, Inc. to lease the property described as Anchorage Children's Home located on Lisenby Avenue in Panama City, Florida. The lease has an initial term of ten years and the Organization has an option of extending the term of the lease for up to three additional successive ten year terms. The Organization is also responsible for all insurance, repairs and maintenance, taxes and utilities associated with the leased premises. The monthly rent payments are \$5,547. Total rent paid to the Foundation during the year was \$66,564.

(11) **Net Assets with Donor Restrictions:**

(a) Net assets with donor restrictions consist of the following at June 30, 2019:

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Releases</u>	<u>June 30, 2019</u>
Restricted in perpetuity	\$ 1,939	\$ -	\$ -	\$ 1,939
Transitional Living Rent	-	68,500	-	68,500
Transitional Living expenses	-	10,000	-	10,000
Other program expenses	-	20,810	-	20,810
Total	<u>\$ 1,939</u>	<u>\$ 99,310</u>	<u>\$ -</u>	<u>\$ 101,249</u>

(12) **Liquidity and Availability:**

Financial assets available for general expenditure, that is, without donor restrictions or internally board designations limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 813,915
Investments	20,866
Grants, contracts, and other receivables	430,353
Financial assets available to meet cash needs for general expenditures	<u>\$ 1,265,134</u>
Less those unavailable for general expenditures within one year due to donor imposed restrictions	<u>(101,249)</u>
Financial assets available to meet cash needs for general expenditures	<u>\$ 1,163,885</u>

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(13) **Donated Facilities and Materials:**

The Organization received the following in-kind donations included in Contributions on the Statement of Activities during the year ended June 30, 2019:

Facilities	\$ 236,697
Materials and supplies	<u>126,218</u>
Total	<u>\$ 362,915</u>

(14) **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 11, 2019, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(15) **Recently Issued Accounting Pronouncements:**

The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or operations in the near term.

In May 2014, the FASB issued Accounting Standards Update 2014-09: Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. The new standard (as amended) is effective for fiscal years beginning after December 15, 2018 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2020 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In June 2018, the FASB issued Accounting Standards Update 2018-08: Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, to clarify and improve the scope and accounting guidance around contributions of cash and other assets received and made by not-for-profit organizations. The new standard is effective for fiscal years beginning after December 15, 2018 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/State Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	State CSFA Number	Contract Number	Expenditures
<b><u>FEDERAL AWARDS</u></b>				
<b>U.S. Department of Agriculture</b>				
Passed through Florida Department of Health Child and Adult Care Food Program	10.558	-	H-4145	\$ 12,246
<b>U.S. Department of Health and Human Services</b>				
Basic Center Grant	93.623	-	90CY6818-02-00	28,250
Basic Center Grant	93.623	-	90CY6818-03-00	77,836
				<u>106,086</u>
Transitional Living for Homeless Youth	93.550	-	90CX7123-01-00	46,057
Transitional Living for Homeless Youth	93.550	-	90CX7123-02-00	127,332
Transitional Living for Homeless Youth	93.550	-	90CX6990-05-00	62,728
Transitional Living for Homeless Youth	93.550	-	90CX7205-01-00	104,869
				<u>340,986</u>
Passed through Big Bend Community Based Care, Inc. Social Services Block Grant	93.667	-	0262	66,743
Social Services Block Grant	93.667	-	0234	31,302
				<u>98,045</u>
Passed through Big Bend Community Based Care, Inc. Foster Care Title IV-E	93.658	-	0255	508,075
Foster Care Title IV-E	93.658	-	0262	92,148
Foster Care Title IV-E	93.658	-	0234	43,217
Passed through Florida Network of Youth and Family Services Foster Care Title IV-E	93.658	-	-	22,542
				<u>665,982</u>
Passed through Big Bend Community Based Care, Inc. Promoting Safe and Stable Families	93.556	-	0255	5,453
Passed through Big Bend Community Based Care, Inc. Temporary Assistance for Needy Families	93.558	-	0255	115,937
			<b>Total TANF Cluster</b>	<u>115,937</u>
Passed through Big Bend Community Based Care, Inc. Stephanie Tubbs Jones Child Welfare Services Program	93.645	-	0255	63,295
Passed through Big Bend Community Based Care, Inc. Adoption Assistance	93.659	-	0255	109,486
Passed through Big Bend Community Based Care, Inc. John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	-	0255	46,623
<b>U.S. Department of Homeland Security</b>				
Passed through State of Florida Division of Emergency Management Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	-	Z1034	114,378
<b>Total Federal Awards</b>				<u>1,678,517</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED JUNE 30, 2019  
 (Continued)

Federal Grantor/State Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	State CSFA Number	Contract Number	Expenditures
<b>STATE FINANCIAL ASSISTANCE</b>				
<b>State of Florida, Department of Children and Families</b>				
Passed through Big Bend Community Based Care, Inc. Out-Of-Home Supports	-	60.074	0234	\$ 39,507
Passed through Big Bend Community Based Care, Inc. CBC - Purchase of Therapeutic Services for Children	-	60.183	0234	601
CBC - Purchase of Therapeutic Services for Children	-	60.183	0262	193,799
				<u>194,400</u>
<b>State of Florida, Department of Juvenile Justice</b>				
Passed through Florida Network of Youth and Family Services Children and Families in Need of Services (CINS/FINS)	-	80.005	-	1,077,355
<b>Total State Financial Assistance</b>				<u>1,311,262</u>
<b>Total Federal Awards and State Financial Assistance</b>				<u>\$ 2,989,779</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the Federal and State award activity of Anchorage Children's Home of Bay County, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(3) **De Minimis Indirect Cost Rate Election:**

Anchorage Children's Home of Bay County, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

To the Board of Directors,  
Anchorage Children's Home of Bay County, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Anchorage Children's Home of Bay County, Inc., (the "Organization"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

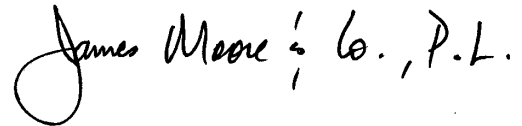
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Tallahassee, Florida  
December 11, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL**

To the Board of Directors,  
Anchorage Children's Home of Bay County, Inc.:

**Report on Compliance for Each Major Federal Program and State Project**

We have audited Anchorage Children's Home of Bay County, Inc.'s compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of Anchorage Children's Home of Bay County, Inc.'s major federal programs and state projects for the year ended June 30, 2019. Anchorage Children's Home of Bay County, Inc.'s major federal programs and state projects are identified in the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Anchorage Children's Home of Bay County, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Anchorage Children's Home of Bay County, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Anchorage Children's Home of Bay County, Inc.'s compliance.

### ***Opinion on Each Major Federal Program and State Project***

In our opinion, Anchorage Children's Home of Bay County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2019.

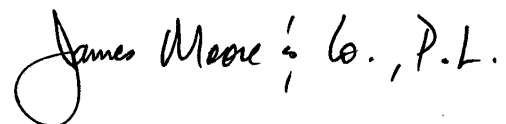
### **Report on Internal Control Over Compliance**

Management of Anchorage Children's Home of Bay County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Anchorage Children's Home of Bay County, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Anchorage Children's Home of Bay County, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and each major state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or major state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, Rules of the State of Florida Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

James Moore & Co., P.L.

Tallahassee, Florida  
December 11, 2019

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS AND STATE PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**I. Summary of Auditors' Results:**

***Financial Statements***

Type of audit report issued on the financial statements: *Unmodified.*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

***Federal Awards***

Internal control over major Federal programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Types of auditor's report issued on compliance for major Federal programs: *Unmodified.*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes   X   no

Identification of major Federal programs:

<b>Federal Program</b>	<b>Federal CFDA Number</b>
Transitional Living for Homeless Youth	93.550
Dollar threshold used to distinguish between Type A and Type B Federal programs:	\$ 750,000

Auditee qualified as low risk auditee?   X   yes \_\_\_\_\_ no

**ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS AND STATE PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**I. Summary of Auditors' Results:** (Continued)

*State Financial Assistance*

Internal control over major State projects:

- Material weakness(es) identified? \_\_\_\_\_ yes     X  no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes     X  none reported

Types of auditor's report issued on compliance for major State projects: *Unmodified.*

Any audit findings disclosed that are required to be reported related to state financial assistance projects? \_\_\_yes     X  no

Identification of major projects

State Projects	State CSFA Number
Children and Families in Need of Services (CINS/FINS)	80.005
Dollar threshold used to distinguish between type A and type B State projects:	\$750,000

**II. Financial Statement Findings:** None.

**III. Federal Award Findings and Questioned Cost:** None

**IV. Federal Award Prior Year Audit Findings:** None

**V. State Project Findings and Questioned Costs:** None.

**VI. State Project Prior Year Audit Findings:** None.

**VII. Management letter in Accordance with Chapter 10.650, Rules of the State of Florida, Office of the Auditor General:** Nothing to Report