

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

FINANCIAL STATEMENTS

JUNE 30, 2020

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, 2020, 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, 2020, 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 March 18, 2021 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
March 18, 2021

ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

Current assets	
Cash and cash equivalents	\$ 1,399,289
Investments	15,961
Grants, contracts, and other receivables	457,616
Prepaid expenses and other current assets	25,317
Total current assets	1,898,183
Property and equipment, net	1,218,095
Total Assets	\$ 3,116,278

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 35,494
Due to grantor	50,152
Accrued liabilities	205,052
Deferred revenue	5,000
Refundable advance - Paycheck Protection Program	596,630
Total current liabilities	892,328
Total Liabilities	892,328
Net assets	
Without donor restrictions	2,129,875
With donor restrictions	94,075
Total net assets	2,223,950
Total Liabilities and Net Assets	\$ 3,116,278

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, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Federal and state grants	\$ 4,290,016	\$ -	\$ 4,290,016
Contributions	655,791	79,447	735,238
Other state support	11,306	-	11,306
Insurance proceeds net of expenses	20,242	-	20,242
Special events	124,118	-	124,118
Other income	7,442	-	7,442
Net assets released from restrictions	86,621	(86,621)	-
Total support and revenue	<u>5,195,536</u>	<u>(7,174)</u>	<u>5,188,362</u>
Expenses			
Program services			
Hidle House	1,179,836	-	1,179,836
Street Outreach and Recovery	40,620	-	40,620
Transitional Living	250,910	-	250,910
Maternity Transitional Living	284,132	-	284,132
Sibling Home	536,296	-	536,296
Anchorage Family Counseling	288,932	-	288,932
Care Management	1,730,672	-	1,730,672
SNAP	168,793	-	168,793
Total program services	<u>4,480,191</u>	<u>-</u>	<u>4,480,191</u>
Administrative and general	473,360	-	473,360
Fundraising	170,529	-	170,529
Total expenses	<u>5,124,080</u>	<u>-</u>	<u>5,124,080</u>
Increase (decrease) in net assets	<u>71,456</u>	<u>(7,174)</u>	<u>64,282</u>
Net assets, beginning of year	2,058,419	101,249	2,159,668
Net assets, end of year	<u>\$ 2,129,875</u>	<u>\$ 94,075</u>	<u>\$ 2,223,950</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, 2020

	Program Services								
	Hide House	Street Outreach and Recovery	Transitional Living	Maternity Transitional Living	Sibling Home	Anchorage Family Counseling	Care Management	SNAP	
Salaries	\$ 594,827	\$ 17,276	\$ 112,871	\$ 122,852	\$ 273,432	\$ 215,490	\$ 1,253,515	\$ 123,776	\$ 2,714,039
Payroll taxes and benefits	113,015	1,683	23,584	24,214	60,064	31,668	229,405	14,024	497,657
Automobile	11,585	2,183	7,802	8,263	19,490	37	30,673	2	80,035
Accounting and legal	1,679	46	391	391	1,012	782	3,657	92	8,050
Crafts, recreation and gifts	6,600	-	619	475	4,426	21	3,396	625	16,162
Contract services	9,049	-	-	-	935	589	-	1,060	11,633
License and permits	282	37	95	97	136	4	374	-	1,025
Books and subscriptions	441	-	-	-	-	-	-	-	441
School	57	-	-	-	3,243	-	-	-	3,300
Food	45,890	8,934	3,165	3,747	17,092	410	1,880	2,694	83,812
Household supplies	26,395	3,433	19,445	27,021	11,602	265	4,460	447	93,068
Insurance	34,630	2,271	3,589	3,601	11,204	2,944	17,926	2,052	78,217
Interest	-	-	-	-	-	-	-	-	-
Medical	416	-	2,120	521	473	-	-	-	3,530
Miscellaneous	14,951	1,771	3,513	3,435	6,170	1,895	16,210	820	48,765
Memberships and dues	12,280	1	25	25	49	53	4	103	12,540
Bad debt	-	-	-	-	1,960	-	-	-	1,960
Office	26,092	542	4,996	5,800	11,330	5,408	27,747	4,446	86,361
Personal items - clothing	7,510	369	510	1,262	4,511	-	419	-	14,581
Postage	581	-	-	-	11	33	1,446	9	2,080
Printing	-	-	-	-	-	-	-	-	-
Repairs and maintenance	14,485	-	564	539	13,645	539	75	439	30,286
Staff and program development	2,380	294	1,366	2,411	661	527	6,626	327	14,592
Staff travel	5,063	42	958	521	1,682	9,633	108,205	5,953	132,057
Telephone	13,838	1,705	2,706	2,727	10,522	4,836	23,640	2,631	62,605
Utilities	28,971	-	6,399	5,251	16,986	1,651	-	1,228	60,486
Events	-	-	-	-	-	-	-	-	-
Rent	167,267	-	55,427	70,277	52,207	10,880	923	6,936	363,917
Total expenses before depreciation	1,138,284	40,587	250,145	283,430	522,843	287,665	1,730,581	167,664	4,421,199
Depreciation	41,552	33	765	702	13,453	1,267	91	1,129	58,992
Total expense	<u>\$ 1,179,836</u>	<u>\$ 40,620</u>	<u>\$ 250,910</u>	<u>\$ 284,132</u>	<u>\$ 536,296</u>	<u>\$ 288,932</u>	<u>\$ 1,730,672</u>	<u>\$ 168,793</u>	<u>\$ 4,480,191</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, 2020
(CONTINUED)

Supporting Services				
	Administration and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 232,047	\$ 69,581	\$ 301,628	\$ 3,015,667
Payroll taxes and benefits	38,440	14,167	52,607	550,264
Automobile	13	6	19	80,054
Accounting and legal	14,608	690	15,298	23,348
Crafts, recreation and gifts	585	-	585	16,747
Contract services	18,951	153	19,104	30,737
License and permits	1,131	350	1,481	2,506
Books and subscriptions	150	-	150	591
School	-	-	-	3,300
Food	7,250	4,453	11,703	95,515
Household supplies	6,131	6,125	12,256	105,324
Insurance	8,667	785	9,452	87,669
Interest	190	-	190	190
Medical	-	-	-	3,530
Miscellaneous	13,505	1,318	14,823	63,588
Memberships and dues	6,350	918	7,268	19,808
Bad debt	-	-	-	1,960
Office	18,797	7,082	25,879	112,240
Personal items - clothing	-	100	100	14,681
Postage	753	9	762	2,842
Printing	1,654	-	1,654	1,654
Repairs and maintenance	3,697	79	3,776	34,062
Staff and program development	1,061	747	1,808	16,400
Staff travel	1,654	1,732	3,386	135,443
Telephone	3,077	1,554	4,631	67,236
Utilities	11,055	430	11,485	71,971
Events	-	56,896	56,896	56,896
Rent	72,564	2,845	75,409	439,326
Total expenses before depreciation	462,330	170,020	632,350	5,053,549
Depreciation	11,030	509	11,539	70,531
Total expense	\$ 473,360	\$ 170,529	\$ 643,889	\$ 5,124,080

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, 2020

Cash flows from operating activities	
Cash received from grantors, contractors, and contributors	\$ 4,840,357
Cash paid to employees, vendors, and subcontractors	(4,163,917)
Interest received	736
Interest paid	(190)
Net cash provided by operating activities	<u>676,986</u>
Cash flows from investing activities	
Purchases of property and equipment	<u>(88,868)</u>
Net cash used in investing activities	<u>(88,868)</u>
Cash flows from financing activities	
Payments of principal on obligations under capital lease	<u>(2,744)</u>
Net cash used in financing activities	<u>(2,744)</u>
Net increase in cash and cash equivalents	<u>585,374</u>
Cash and cash equivalents, beginning of year	813,915
Cash and cash equivalents, end of year	<u><u>\$ 1,399,289</u></u>
Reconciliation of increase in net assets to net cash provided by operating activities	
Increase in net assets	<u>\$ 64,282</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	70,531
Unrealized loss on investment	4,905
Increase in grants, contracts, and other receivables	(27,263)
Decrease in prepaid expenses and other current assets	1,588
Decrease in accounts payable	(60,023)
Increase in accrued expenses	16,899
Decrease in deferred revenue	(32,618)
Increase in due to grantor	50,152
Donation of property and equipment	(8,097)
Increase in refundable advance - paycheck protection program	596,630
Total adjustments	<u>612,704</u>
Net cash provided by operating activities	<u><u>\$ 676,986</u></u>
Supplemental schedule of non-cash investing activities	
Donation of property and equipment	<u><u>\$ 8,097</u></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, 2020

(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, 2020

(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, 2020

(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, 2020, 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, 2020

(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.

(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.

ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

(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.

(p) **Due to Grantor**—The Organization records grant/contract receipts as due to grantor until they are expended for the purpose of the grant/contract, at which time they are recognized as revenue. The balance in due to grantor represents amounts received under cost reimbursable and unit rate 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, 2020

(4) **Property and Equipment:**

The following is a summary of property and equipment at June 30, 2020:

Land	\$ 75,000
Buildings and improvements	711,137
Furniture and fixtures	136,125
Machinery and equipment	182,747
Leasehold improvements	402,498
Vehicles	79,226
	1,586,733
Less: accumulated depreciation and amortization	368,638
Total	\$ 1,218,095

(5) **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, 2020 amounted to \$100,083 on the statement of functional expenses. 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
2021	\$ 109,051
2022	102,694
2023	25,214
2024	-
2025	-
Thereafter	-
Total	\$ 236,959

Rent expense on the statement of functional expenses also includes in-kind building rent and other miscellaneous equipment operating leases.

(6) **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 \$19,936 to this plan for the fiscal year ended June 30, 2020.

ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(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.

The Organization maintained investments consisting of marketable securities recorded at fair value. Their fair value as of June 30, 2020 is summarized below:

	Cost	Fair Value	Unrealized Gain (Loss)
Common stocks	\$ 25,623	\$ 15,961	\$ (9,662)

The stocks are valued at quoted market prices and deemed level 1 investments based on unadjusted quoted market prices within active markets.

The following schedule summarizes the investment return in the Statement of Activities for the year ended June 30, 2020:

Net realized and unrealized gains (losses)	\$ (4,905)
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ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(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 with a balloon payment of \$302,993, and matures August 24, 2022. The loan is collateralized by the Foundation's real estate. At June 30, 2020, the balance due on the term loan was \$406,968.

During the year ended June 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Organization as of March 18, 2021, management believes that a material impact on the Organization's financial position and results of future operations is reasonably possible.

On April 20, 2020, the Organization received loan proceeds in the amount of \$596,630, pursuant to the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). Under the terms of the PPP, loan proceeds and accrued interest are forgivable if they are used for qualifying expenses such as payroll, benefits, rent and utilities, and the Organization maintains its payroll levels as described in the CARES Act. Any unforgiven portion of the loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. Management intends to utilize loan proceeds for purposes consistent with the PPP and believes substantially all of the loan will be forgiven, though it is reasonably possible that conditions could arise that would make the Organization ineligible for forgiveness of the loan, in whole or in part.

(9) **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. In kind rent totaled \$236,697.

ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

(a) Net assets with donor restrictions consist of the following at June 30, 2020:

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Releases</u>	<u>June 30, 2020</u>
Restricted in perpetuity	\$ 1,939	\$ -	\$ -	\$ 1,939
Transitional Living Rent	68,500	11,412	67,635	12,277
Transitional Living expenses	10,000	-	6,237	3,763
Other program expenses	20,810	68,035	12,749	76,096
Total	<u>\$ 101,249</u>	<u>\$ 79,447</u>	<u>\$ 86,621</u>	<u>\$ 94,075</u>

(11) **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	\$ 1,399,289
Investments	15,961
Grants, contracts, and other receivables	457,616
Financial assets available to meet cash needs for general expenditures	<u>1,872,866</u>
Less those unavailable for general expenditures within one year due to donor imposed restrictions	(94,075)
Financial assets available to meet cash needs for general expenditures	<u>\$ 1,778,791</u>

(12) **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, 2020:

Facilities	\$ 236,697
Materials and supplies	<u>62,268</u>
Total	<u>\$ 298,965</u>

(13) **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 18, 2021, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(14) **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, 2019 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, 2021 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.

(15) **Hurricane Damages:**

During the year ended June 30, 2020, the Organization completed repairs caused by damage from a hurricane, which struck the local area in October 2018. During the year ended June 30, 2020, \$32,874 was received in insurance proceeds related to the damage and \$12,632 was expended repairing the property and replacing damaged items.

ANCHORAGE CHILDREN'S HOME OF BAY COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/State Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	State CSFA Number	Contract Number	Expenditures
<u>FEDERAL AWARDS</u>				
U.S. Department of Agriculture				
Passed through Florida Department of Health Child and Adult Care Food Program	10.558	-	H-4145	\$ 19,220
U.S. Department of Health and Human Services				
Basic Center Grant	93.623	-	90CY6818-03-00	35,163
Transitional Living for Homeless Youth	93.550	-	90CX7123-03-00	145,382
Transitional Living for Homeless Youth	93.550	-	90CX7123-02-00	67,394
Transitional Living for Homeless Youth	93.550	-	90CX7205-02-00	149,245
Transitional Living for Homeless Youth	93.550	-	90CX7205-01-00	94,771
				<u>456,792</u>
Passed through Big Bend Community Based Care, Inc. Social Services Block Grant	93.667	-	0262	6,145
Social Services Block Grant	93.667	-	0234	16,935
Social Services Block Grant	93.667	-	0255	8,833
				<u>31,913</u>
Passed through Big Bend Community Based Care, Inc. Foster Care Title IV-E	93.658	-	0255	375,214
Foster Care Title IV-E	93.658	-	0262	139,586
Foster Care Title IV-E	93.658	-	0234	40,541
Passed through Florida Network of Youth and Family Services Foster Care Title IV-E	93.658	-	-	5,550
				<u>560,891</u>
Passed through Big Bend Community Based Care, Inc. Promoting Safe and Stable Families	93.556	-	0255	7,241
Passed through Big Bend Community Based Care, Inc. Temporary Assistance for Needy Families	93.558	-	0255	235,113
Passed through Big Bend Community Based Care, Inc. Stephanie Tubbs Jones Child Welfare Services Program	93.645	-	0255	92,697
Passed through Big Bend Community Based Care, Inc. Adoption Assistance	93.659	-	0255	99,934
Passed through Big Bend Community Based Care, Inc. John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	-	0255	60,526
U.S. Department of Homeland Security				
Passed through State of Florida Division of Emergency Management Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	-	Z1034	17,909
Total Federal Awards				<u>1,617,399</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, 2020
 (Continued)

Federal Grantor/State Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	State CSFA Number	Contract Number	Expenditures
<u>STATE FINANCIAL ASSISTANCE</u>				
State of Florida, Department of Children and Families				
Passed through Big Bend Community Based Care, Inc. Out-Of-Home Supports	-	60.074	0234	<u>\$ 85,742</u>
Passed through Big Bend Community Based Care, Inc. CBC - Purchase of Therapeutic Services for Children	-	60.183	0262	<u>94,388</u>
State of Florida, Department of Juvenile Justice				
Passed through Florida Network of Youth and Family Services Children and Families in Need of Services (CINS/FINS)	-	80.005	-	<u>1,150,357</u>
Total State Financial Assistance				<u>1,330,487</u>
Total Federal Awards and State Financial Assistance				<u>\$ 2,947,886</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, 2020

(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.

(4) **Subrecipients:**

For the year ended June 30, 2020, there were no amounts passed through to subrecipients.

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, 2020, 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 March 18, 2021.

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) as a basis for designing 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.

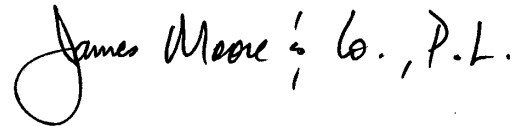
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 financial statements. 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
March 18, 2021

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 *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, 2020. 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, 2020.

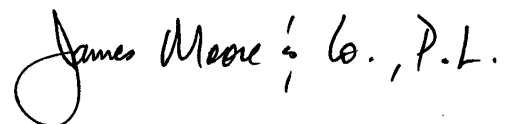
Report on Internal Control Over Compliance

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
March 18, 2021

**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, 2020**

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:

Federal Program	Federal CFDA Number
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, 2020**

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:	\$399,146

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