

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**

**Financial Statements  
and Supplementary Information**

**For the Years Ended  
December 31, 2019 and 2018**

**SOS CHILDREN’S VILLAGES - FLORIDA, INC.**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
SOS Children's Villages – Florida, Inc.  
Coconut Creek, Florida

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

We have audited the accompanying financial statements of SOS Children's Villages – Florida, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 SOS Children's Villages – Florida, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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## **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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 September 10, 2020, on our consideration of SOS Children's Villages – Florida, 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 solely 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 the effectiveness of SOS Children's Villages – Florida, Inc.'s 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 SOS Children's Villages – Florida, Inc.'s internal control over financial reporting and compliance.

*Bellows Associates P.A.*

Bellows Associates, PA  
Plantation, Florida  
September 10, 2020

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Statements of Financial Position**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	793,586	\$ 253,842
Contract receivables	216,735	340,451
Contributions receivable	532,519	39,000
Prepaid expenses	15,337	11,890
Investments	750	750
Property and equipment, net	1,065,885	1,209,418
<b>TOTAL ASSETS</b>	<b>\$ 2,624,812</b>	<b>\$ 1,855,351</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 22,333	\$ 30,088
Accrued expenses	182,526	157,818
Capital leases payable	-	4,830
<b>TOTAL LIABILITIES</b>	<b>204,859</b>	<b>192,736</b>
<b>NET ASSETS</b>		
Without donor restrictions	1,952,193	1,567,620
With donor restrictions	467,760	94,995
<b>TOTAL NET ASSETS</b>	<b>2,419,953</b>	<b>1,662,615</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,624,812</b>	<b>\$ 1,855,351</b>

See accompanying notes to the financial statements.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Statements of Activities**  
**For the Years Ended December 31, 2019 and 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS						
Governmental contracts and grants	\$ 2,038,209	\$ -	\$ 2,038,209	\$ 1,849,729	\$ -	\$ 1,849,729
Contributions - direct public support	2,470,953	586,847	3,057,800	1,884,900	300,553	2,185,453
Contributions - related organizations	26,990	-	26,990	283,998	-	283,998
Distributions from beneficial assets	53,341	-	53,341	51,869	-	51,869
In-kind contributions	18,420	-	18,420	68,604	-	68,604
Investment income	427	-	427	682	-	682
Other income	9,065	-	9,065	327	-	327
Net assets released from restrictions	214,082	(214,082)	-	284,172	(284,172)	-
<b>TOTAL REVENUE, SUPPORT, AND GAINS</b>	<b>4,831,487</b>	<b>372,765</b>	<b>5,204,252</b>	<b>4,424,281</b>	<b>16,381</b>	<b>4,440,662</b>
EXPENSES						
Program services	3,373,635	-	3,373,635	3,107,042	-	3,107,042
Management and general	406,569	-	406,569	361,173	-	361,173
Fundraising	666,710	-	666,710	730,117	-	730,117
<b>TOTAL EXPENSES</b>	<b>4,446,914</b>	<b>-</b>	<b>4,446,914</b>	<b>4,198,332</b>	<b>-</b>	<b>4,198,332</b>
CHANGE IN NET ASSETS	384,573	372,765	757,338	225,949	16,381	242,330
NET ASSETS, BEGINNING OF YEAR	1,567,620	94,995	1,662,615	1,341,671	78,614	1,420,285
NET ASSETS, END OF YEAR	<u>\$ 1,952,193</u>	<u>\$ 467,760</u>	<u>\$ 2,419,953</u>	<u>\$ 1,567,620</u>	<u>\$ 94,995</u>	<u>\$ 1,662,615</u>

See accompanying notes to the financial statements.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2019 and 2018**

	2019			
	Program Services	Management and General	Fundraising	Total
Officer's compensation	\$ 48,631	\$ 48,486	\$ 48,486	\$ 145,603
Salaries	1,727,549	113,037	292,190	2,132,776
Employee benefits	116,361	12,349	16,652	145,362
Payroll taxes	139,065	12,077	26,464	177,606
Professional fees	22,949	115,471	43,710	182,130
Advertising and marketing	-	324	1,713	2,037
Office expenses	42,604	40,023	46,476	129,103
Computer expense	7,215	118	44	7,377
Occupancy	40,851	258	300	41,409
Travel expenses	7,186	879	-	8,065
Conferences and meetings	3,158	1,455	776	5,389
Insurance	123,274	25,789	-	149,063
Home expenses	482,154	4,391	1,465	488,010
Children services	150,482	-	-	150,482
Vehicle expenses	229,154	1,413	4,946	235,513
Depreciation expenses	159,197	17,689	-	176,886
Interest expense	32	8,061	-	8,093
Maintenance service and supplies	56,282	399	399	57,080
Other event expenses	-	-	162,357	162,357
Fees, permits, and licences	1,458	2,232	18,359	22,049
In-kind expense	8,420	-	-	8,420
Miscellaneous expense	7,613	2,118	2,373	12,104
<b>Total Expenses</b>	<b>\$ 3,373,635</b>	<b>\$ 406,569</b>	<b>\$ 666,710</b>	<b>\$ 4,446,914</b>

	2018			
	Program Services	Management and General	Fundraising	Total
Officer's compensation	\$ 38,160	\$ 38,160	\$ 43,764	\$ 120,084
Salaries	1,415,430	89,222	252,144	1,756,796
Employee benefits	113,903	6,688	15,809	136,400
Payroll taxes	117,871	10,143	24,240	152,254
Professional fees	30,862	95,029	49,615	175,506
Advertising and marketing	-	3,475	19,909	23,384
Office expenses	42,105	36,028	55,605	133,738
Computer expense	647	176	31,030	31,853
Occupancy	40,982	6,168	3,964	51,114
Travel expenses	2,061	679	1,995	4,735
Conferences and meetings	3,330	199	4,632	8,161
Insurance	114,883	22,006	-	136,889
Home expenses	460,529	8,595	2,292	471,416
Children services	188,229	-	-	188,229
Vehicle expenses	211,764	637	6,059	218,460
Depreciation expenses	186,180	27,096	-	213,276
Interest expense	-	11,569	-	11,569
Maintenance service and supplies	74,587	657	398	75,642
Other event expenses	992	-	171,326	172,318
Fees, permits, and licences	4,283	3,522	27,168	34,973
In-kind expense	58,604	-	10,000	68,604
Miscellaneous expense	1,640	1,124	10,167	12,931
<b>Total Expenses</b>	<b>\$ 3,107,042</b>	<b>\$ 361,173</b>	<b>\$ 730,117</b>	<b>\$ 4,198,332</b>

See accompanying notes to the financial statements.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 757,338	\$ 242,330
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	176,886	213,276
Extinguishment of debt	-	(247,850)
Changes in operating assets and liabilities:		
Contract receivables	123,716	(30,669)
Contributions receivable	(493,519)	12,170
Prepaid expenses	(3,447)	(3,586)
Accounts payable	(7,755)	(1,762)
Accrued expenses	24,708	(30,510)
	<u>577,927</u>	<u>153,399</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(33,353)	(75,634)
	<u>(33,353)</u>	<u>(75,634)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	150,000	125,000
Payments on line of credit	(150,000)	(125,000)
Payments on notes payable	-	(250,348)
Principal payments on capital leases payable	(4,830)	(6,698)
	<u>(4,830)</u>	<u>(257,046)</u>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	539,744	(179,281)
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR</b>	<u>253,842</u>	<u>433,123</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR</b>	<u>\$ 793,586</u>	<u>\$ 253,842</u>
Supplemental disclosures:		
Non-cash transactions:		
In-kind contributions	<u>\$ 18,420</u>	<u>\$ 68,604</u>
As of December 31, 2019 and 2018, the amounts included in cash, cash equivalents, and restricted cash include the following:		
Cash - operations	\$ 425,826	\$ 196,347
Donor restricted cash	367,760	57,495
Total cash, cash equivalents, and restricted cash	<u>\$ 793,586</u>	<u>\$ 253,842</u>
Cash paid during the year for interest	<u>\$ 8,093</u>	<u>\$ 11,569</u>

See accompanying notes to the financial statements.



**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 1 – Organization and Summary of Significant Accounting Policies**

**Organization**

SOS Children's Villages – Florida, Inc. (SOS) is incorporated as a nonprofit corporation in the State of Florida. SOS provides residential foster care and dependency case management services for children in an atmosphere that is equivalent to a family setting. Each home provides care for up to six children with a full-time staff who resides in the house with additional part time staff as needed.

SOS is established and operated in accordance with the rules, regulations and criteria established by the SOS Kinderdorf International Herman Gmeiner Fund (SOS-KDI-HGFD) which is headquartered in Innsbruck, Austria, to the extent there is no conflict with any applicable federal or state laws or regulations.

SOS fulfills its mission by focusing their efforts in three primary areas, Healing, Hope, and Home.

*Healing* – Children are provided for by caring house parents and a team of staff who support and guide the children through the obstacles of everyday living as well as assisting with any conflicts from their past.

*Hope* – SOS is determined to allow the children to live as children and grow up in a cherished, protected and comfortable environment to build fond memories that last a lifetime. A happy childhood is key to developing social skills and self-esteem. This is accomplished through extracurricular activities at home, school and during the summer.

*Home* – SOS creates a safe and nurturing environment where the children can always feel at home. It is a top priority of the organization to keep sibling families together.

**Basis of Presentation**

The financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). SOS reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets Without Donor Restrictions* – Net assets available for general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See Note 10.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 1 – Organization and Summary of Significant Accounting Policies (continued)**

Cash, Cash Equivalents, and Restricted Cash

For the statements of cash flows, all unrestricted investment instruments with original maturities of three months or less are cash equivalents. As of December 31, 2019 and 2018, SOS had cash equivalents of \$7,775 and \$4,658, respectively.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Standards

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230)—Restricted Cash*, which requires the statements of cash flows to explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-year and end-of-year total amounts shown on the statements of cash flows. SOS adopted ASU 2016-18 on a retrospective basis as of January 1, 2018. The effects of adopting this accounting guidance resulted in the reclassification of restricted cash on the statements of cash flows and the addition of disclosures regarding the nature of the restrictions on restricted cash.

SOS has adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended, which establishes a new contract and control-based revenue recognition model, changes the basis for deciding when revenue is recognized over time or at a point in time, and expands disclosures about revenue. Analysis of various provisions of this standard resulted in no significant change in the way SOS recognizes revenue, and therefore no changes were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with this standard.

SOS has adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958)—Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in the update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Analysis of various provisions of this standard resulted in no significant change in the way SOS recognizes revenue.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 1 – Organization and Summary of Significant Accounting Policies (continued)**

Investments

Investments are carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer an asset in an orderly transaction between market participants at the measurement date. Investment income consists of interest and dividend income on investments and any gains or losses realized and unrealized on the investments. Investment income is available for use in operations. Investment income is reported net of fees.

Beneficial Interest in Assets Held by Community Foundation

During 2002, SOS established an endowment fund that is perpetual in nature with the Community Foundation of Broward, Inc. (the Foundation) a Florida not for profit corporation. The Foundation is independent of SOS and maintains control over the assets within the requirements of the agreement. Variance power has been granted to the Foundation, which allows the Foundation to distribute the allowable funds to an organization of similar exempt purpose in the case of SOS's dissolution. The fund is held and invested by the foundation for SOS's benefit. See Note 11.

Property and equipment

Property and equipment are recorded at cost or, if donated, at their estimated fair market value at the date of contribution. SOS capitalizes property and equipment over \$1,000 with a useful life greater than one year. Maintenance and repairs to property and equipment are charged to expensed when incurred. Depreciation expense is computed using the straight-line method over the estimated useful life of each class of depreciable asset, which are as follows:

	<u>Years</u>
Site development	15
Buildings and improvements	10-27.5
Furniture and fixtures	5-7
Machinery and equipment	5
Furniture held under capital lease	Lease term

Donated property and equipment are reported as net assets without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash restricted by the donor for the purchase of property and equipment are reported as net assets with donor restrictions. SOS reports expirations of donor restrictions when the asset is placed in service.

Management reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and expected disposition. When considering impaired, an impairment loss is recognized to the extent that carrying value exceeds the fair value of the assets. There were no indications of asset impairment during the years ended December 31, 2019 and 2018.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 1 – Organization and Summary of Significant Accounting Policies (continued)**

Joint Costs of Fundraising

SOS utilizes various pamphlets, brochures and informational methods to inform the general public of their activities and to solicit funds. These costs are charged to fundraising.

Revenue Recognition

*Contributions*

Contributions, which include unconditional promises to give (pledges), are recognized in the period received or promised. Contributions received with donor stipulations that limit the use of the donated assets are recorded as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions are initially reported as activities with donor restrictions, even if it is anticipated such restrictions will be met in the current reporting period.

*Contributions Receivable*

Unconditional contributions receivable expected to be received within one year and are recorded at their net realizable value. Unconditional contributions receivable due beyond one year are stated at net present value of the estimated cash flows using the risk-free interest rate at the time the pledges or contributions were made. The Organization deems all contributions receivable to be collectible and accordingly, does not have an allowance for doubtful accounts. As of December 31, 2019 and 2018, contributions receivable with donor restrictions was approximately \$100,000 and \$37,500, respectively.

*Contributed Services and Materials*

SOS receives contributions of noncash assets and services as donations (in-kind contributions). Contributed services are reported at their estimated fair value of those donated services when those services either (1) creates or enhances a nonfinancial asset, or (2) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. For the years ended December 31, 2019 and 2018 SOS recorded contributed services revenue and expense of \$0 and \$10,000, respectively.

Contributed materials and supplies are recorded at their estimated fair market value at the date of the contribution. For the year ended December 31, 2019 and 2018 SOS recorded contributed materials and supplies revenue and expenses or fixed asset additions of \$18,420 and \$58,604, respectively.

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities. However, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 1 – Organization and Summary of Significant Accounting Policies (continued)**

Revenue Recognition (Continued)

*Grants and Contracts*

SOS reports grant monies awarded as grant revenue upon execution of the grant contract or agreement. Funding agreements for services to be provided are entered into on an annual basis. The release of funds is subject to monies being made available by the federal government, State of Florida, Broward County and certain other granting agencies. Some of these agreements may be terminated by either party with thirty days written notice. SOS's reimbursement contract with the State of Florida is customarily renewed every July 1st based on the State's fiscal year.

Program expenditures made by SOS are subject to additional audit by grantor agencies. As a result of such audits, the grantor may require that amounts be returned. In certain instances, the grantor may increase its grant of funds to SOS to offset amounts which would otherwise be repayable based on audits. As of December 31, 2019 and 2018, SOS had no amounts required to be returned as a result of such audits for each year.

*Contract Receivables*

Contract and other receivables consist primarily of uncollected allowable expenses under reimbursement contracts with governmental agencies. Management periodically reviews the contract and other receivables balances and provides an allowance for accounts which may be uncollectible. The amount is determined based upon historical experiences, economic conditions, and a review of subsequent collections. As of December 31, 2019, and 2018, management considers the contract and other receivables to be fully collectible within the current accounting period and no allowance for doubtful accounts has been established.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, salaries and wages, employee benefits, payroll taxes, professional services, office supplies and expense, information technology, insurance, and other expenses which are allocated on the basis of estimates of time and effort. Such estimates are determined by management.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 1 – Organization and Summary of Significant Accounting Policies (continued)**

Income Taxes

SOS has received a tax determination letter from the Internal Revenue Service (IRS) noting that it is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). SOS files Form 990, *Return of Organization Exempt from Income Tax* annually.

Date of Management's Review

Management has evaluated subsequent events through September 10, 2020, which is the date the financial statements were available to be issued.

**NOTE 2 – Related Party Transactions**

SOS-USA was organized as a separate entity to operate as the coordinating body for all the principles of SOS-KDI-HGFD. For the years ended December 31, 2019 and 2018, SOS received direct funding from SOS-USA totaling \$52,213 and \$36,148, respectively. In the event of SOS 's dissolution, the assets of SOS will revert to SOS-USA.

During the year ended December 31, 2015, SOS entered into a note payable agreement with SOS-USA for \$500,000. The note accrued interest at the rate of 3% per annum. The principal and all accrued interest on the note were due and payable on the maturity date of March 5, 2020. During 2018, the Board negotiated an early payment plan with SOS-USA whereby SOS was to pay two installments of \$125,000 by May 31, 2018 and September 30, 2018 plus \$6,100 of interest. SOS-USA agreed to forgive the remainder of the debt upon receipt of the two payments in 2018. For the years ended December 31, 2019 and 2018, the total cancellation of debt recognized was \$0 and \$247,850, respectively, including any remaining accrued interest. As of December 31, 2019, and 2018, no amount was due to SOS-USA.

**NOTE 3 – Contracts and Contributions Receivables**

SOS anticipates collection of contracts and contributions receivable as follows:

	<u>2019</u>	<u>2018</u>
One year or less		
Without donor restrictions	\$ 649,254	\$ 341,951
Restricted to particular use	35,000	10,000
Restricted to passage of time	2,500	2,500
One to five years		
Restricted to particular use	60,000	20,000
Restricted to passage of time	<u>2,500</u>	<u>5,000</u>
Contracts and contributions receivable	<u>\$ 749,254</u>	<u>\$ 379,451</u>

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 4 – Property and Equipment**

The cost of property and equipment are as follows:

	<u>2019</u>	<u>2018</u>
Land and site development	\$ 1,125,833	\$ 1,125,833
Buildings and improvements	3,562,354	3,546,004
Furniture and fixtures	245,611	204,253
Furniture held under capital lease	-	30,018
Machinery and equipment	<u>140,977</u>	<u>135,314</u>
	5,074,775	5,041,422
Less Accumulated Depreciation	<u>4,008,890</u>	<u>3,832,004</u>
Property and Equipment, Net	<u>\$ 1,065,885</u>	<u>\$ 1,209,418</u>

Depreciation expense for the years ended December 31, 2019 and 2018 was \$176,886 and \$213,276, respectively.

**NOTE 5 – Leases**

Capital Lease

SOS previously entered into a lease agreement for furniture that was classified as a capital lease. The lease requires monthly payments of \$626, including principal and interest at 9.5%, through July 2019. The cost of the furniture under the capital lease as of December 31, 2019 and 2018, was \$30,018 for each year with accumulated depreciation of \$30,018 and \$25,515 as of December 31, 2019 and 2018, respectively. For the years ended December 31, 2019 and 2018, total interest expense was \$174 and \$808, respectively. The lease term ended in September 2019, at which point SOS retained ownership of the furniture without further expenditure.

Operating Leases

SOS leases office equipment under a non-cancelable operating lease with an expiration date of July 2023. SOS also leases vehicles under non-cancelable operating leases with expiration dates of June 2020 and November 2021.

<u>December 31,</u>	<u>Vehicles</u>	<u>Office Equipment</u>	<u>Total</u>
2020	\$ 78,786	3,782	82,568
2021	66,834	3,782	70,616
2022	-	3,782	3,782
2023	-	1,892	1,892
2024	-	-	-
Total	<u>\$ 145,620</u>	<u>\$ 13,238</u>	<u>\$ 158,858</u>

Total rent expense on operating leases for the years ended December 31, 2019 and 2018 amounted to \$8,051 and \$6,063, respectively, for office equipment and \$89,515 and \$79,852 for vehicles, respectively.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 6 – Investments and Fair Value Measurements**

Accounting standards provide a framework for measuring fair value based on a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as shown in the table below. Assets and liabilities are classified in their entirety on the lowest level of input that is significant to the fair value measurement.

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that SOS has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none"> <li>• Quoted prices for similar assets or liabilities in active markets;</li> <li>• Quoted prices for identical or similar assets or liabilities in active markets;</li> <li>• Inputs other than quoted prices that are observable for the asset or liability; and</li> <li>• Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li> </ul> If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Changes in valuation techniques may result in transfers in or out of an investment's assigned level within the hierarchy.

**Asset Valuation Techniques**

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

- *Preferred Stock*: Valued at the net asset value of the units reported on the active market on which the individual investments are traded.

The following tables set forth by level within the fair value hierarchy a summary of SOS's investments measured at fair value on a recurring basis at December 31, 2019 and 2018:

**Fair Value Measurements as of December 31, 2019**

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Preferred Stock	\$ -	\$ 750	\$ -	\$ 750
Total	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ -</u>	<u>\$ 750</u>



**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 6 – Investments and Fair Value Measurements (Continued)**

**Fair Value Measurements as of December 31, 2018**

	<b>Quoted Prices In Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Preferred Stock	\$ -	\$ 750	\$ -	\$ 750
Total	\$ -	\$ 750	\$ -	\$ 750

SOS's policy is to recognize all transfers between levels at the beginning of the reporting period. For the years ended December 31, 2019 and 2018, there were no significant transfers in or out of Level 1, 2 or 3.

For the years ended December 31, 2019 and 2018, dividends consisted of \$45 and \$23, respectively, which is included in investment income on the statements of activities.

**NOTE 7 – Liquidity and Availability of Funds**

SOS has \$1,075,080 and \$538,298 of financial assets available within one year of December 31, 2019 and 2018 to meet cash needs for general operating purposes, consisting of cash of \$425,826 and \$196,347 and receivables of \$649,254 and \$341,951, respectively. None of these amounts are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of December 31, 2019 and 2018.

SOS manages operating liquidity primarily through budgeted monthly cash inflows and outflows. Cash inflows can be reasonably predicted since they are comprised mostly of contract vouchers. Cash outflows are planned accordingly so as not to exceed those expected inflows. As part of SOS's liquidity management plan, cash that exceeds SOS's expected short-term requirements are invested in money market funds.

**NOTE 8 – Line of Credit**

SOS has a \$150,000 revolving line of credit with a bank, secured by equipment, general intangibles, and fixtures. Borrowings against the line of credit bear interest at the bank prime rate plus .5% or a minimum of 3.5% (5.25% at December 31, 2019 and 2018). Principal and interest are due at maturity, on August 29, 2021. At December 31, 2019 and 2018, there was no outstanding balance. For the years ended December 31, 2019 and 2018, total interest expense was \$5,277 and \$936, respectively.

**NOTE 9 – Employee Benefit Plans**

SOS has a 401(k) Retirement Plan which covers employees who meet certain age and years of service criteria. During the year ended December 31, 2016, SOS ceased their matching contribution for employees. Employees, however, contributed to the plan at their discretion. The Board reinstated the matching policy effective April 1, 2019. For the years ended December 31, 2019 and 2018 pension expense was \$17,937 and \$0, respectively.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 10 – Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specific purpose:		
Next steps program	\$ 284,280	\$ 55,785
Disaster relief	25,223	-
Independent life skills	18,042	-
Ridley field	13,215	-
Vehicle leases	20,000	30,000
Computer equipment	-	1,322
Internship	-	275
Property renovation	102,000	113
Subject to passage of time:		
Kenny Page Foundation	<u>5,000</u>	<u>7,500</u>
Total	<u>\$ 467,760</u>	<u>\$ 94,995</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Satisfaction of purpose restrictions:		
Clothing	\$ 14,700	\$ 14,600
Property renovations	114	-
Next steps program	115,898	141,915
Disaster relief	6,990	11,053
Computer equipment	1,322	2,678
Independent life skills	6,583	-
Vacation fund	-	1,500
Recreational activities	6,500	5,200
SOS-USA loan repayments	-	70,500
Vehicle leases	10,000	10,000
Internship	275	1,726
Study abroad	4,200	-
Children achieve	45,000	-
Mental health	-	25,000
Passage of time – Kenny Page Foundation	<u>2,500</u>	<u>-</u>
Total	<u>\$ 214,082</u>	<u>\$ 284,172</u>

**NOTE 11 – Endowment Fund**

SOS previously entered into an agreement with the Foundation to create a designated fund to serve as an endowment on behalf of SOS. The funds are the property of the Foundation and it is the general policy of the Foundation to make distributions to SOS from the endowment at least once annually. For the years ended December 31, 2019 and 2018, SOS took a distribution of \$53,341 and \$51,869, respectively, from the Foundation. The ending asset value of the endowment at December 31, 2019 and 2018, was approximately \$1,101,153 and \$986,438, respectively.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 12 – Current Vulnerability Due to Certain Concentrations**

SOS is economically dependent upon the receipt of funds from the State of Florida for its programs. For the years ended December 31, 2019 and 2018, SOS received grants and other funding from the State of Florida Department of Children and Families totaling \$2,055,587 and \$1,882,093, respectively. A significant reduction in the level of this support would have an adverse effect on SOS's programs and activities and its ability to satisfy their financial and program obligations and commitments.

Grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of SOS. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

SOS maintains its cash balances with two financial institutions. The account balances at each of the financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2019 and 2018, the uninsured and uncollateralized cash balances exceeded the federally insured limit by \$498,442 and \$22,881, respectively. SOS has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

**NOTE 13 – Subsequent Events**

**COVID-19 Outbreak**

In December 2019, a novel strain of coronavirus (COVID-19) was reported in China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The extent of the impact on SOS will depend on future developments, including the duration and spread of the outbreak. The impact on donors, employees, and vendors is uncertain and cannot be predicted at this time. The extent to which COVID-19 may impact funding, contributions, and other operating performances remains uncertain. SOS has taken preventive measures by strictly adhering to and monitoring the Centers for Disease Control updated guidelines and regulations.

On April 15, 2020, SOS entered into an agreement with Seacoast National Bank (Lender) to obtain a Paycheck Protection Program (PPP) loan guaranteed by the U.S. Small Business Administration (SBA) in the amount of \$469,800. The PPP loan is designed to provide direct incentive for small businesses to keep their workers on the payroll during the COVID-19 crisis. The SBA may forgive the full sum if SOS complies with the program provisions. On April 15, 2020, the Lender disbursed the PPP loan in the full amount to SOS. No collateral or guarantee by SOS is required to obtain the PPP loan. The PPP loan matures on April 16, 2022 and has an interest rate of 1%. Loan principal and interest payments are deferred for the first six months from the date of the first disbursement of the loan.

**Trust contribution**

In 2018, SOS was named in the will and trust of John Ulbrich. SOS received a disbursement of \$487,044 in December of 2019 after settling claims against the estate and trust. In July 2020, SOS received an additional disbursement of \$402,020 after additional settlements were made. Due to the nature of uncertainty in the outcomes of the claims, all revenue is recorded in the period in which it is received.

## **SUPPLEMENTARY INFORMATION**

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2019**

Federal Grantor/Pass through Grantor/Program Title	Federal CFDA Number	Contract Agreement Number	Expenditures
U. S. Department of Health and Human Services			
Passed through Florida Department of Children and Families Passed through ChildNet, Inc.			
Foster Care –Title IV-E	93.658	SOS18-19RGC	\$ 1,212,672
Foster Care –Title IV-E	93.658	SOS18-19DCM	215,513
Foster Care –Title IV-E	93.658	SOS19NFH	<u>3,309</u>
Total Foster Care –Title IV-E			<u>1,431,494</u>
Social Services Block Grant	93.667	SOS18-19RGC	<u>395,485</u>
Temporary Assistance for Needy Families	93.558	SOS18-19DCM	81,853
Temporary Assistance for Needy Families	93.558	SOS19NFH	<u>922</u>
Total Temporary Assistance for Needy Families			<u>82,775</u>
Adoption Assistance	93.659	SOS18-19DCM	52,897
Adoption Assistance	93.659	SOS19NFH	<u>617</u>
Total Adoption Assistance			<u>53,514</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645	SOS18-19DCM	33,294
Stephanie Tubbs Jones Child Welfare Services Program	93.645	SOS19NFH	<u>266</u>
Total Stephanie Tubbs Jones Child Welfare Services Program			<u>33,560</u>
Promoting Safe and Stable Families	93.556	SOS18-19DCM	2,166
Promoting Safe and Stable Families	93.556	SOS19NFH	<u>30</u>
Total Promoting Safe and Stable Families			<u>2,196</u>
Total Expenditures of Federal Awards			<u>\$ 1,999,024</u>

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of SOS Children's Villages – Florida, 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SOS Children's Villages – Florida, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of SOS Children's Villages – Florida, Inc.

**NOTE B – 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 allowable or are limited as to reimbursement. SOS Children's Villages – Florida, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE C – CONTINGENCY**

The grant and contract revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor/contract agencies becomes a liability of SOS Children's Villages – Florida, Inc. In the opinion of management, all grant and contract expenditures are in compliance with the terms of the agreement and applicable federal, state, and local laws and regulations.

See Independent Auditor's Report

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2019**

No matters are reportable.



INDEPENDENT AUDITOR'S 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 of  
SOS Children's Villages – Florida, Inc.  
Coconut Creek, Florida

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 SOS Children's Villages – Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 September 10, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SOS Children's Villages – Florida, Inc.'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 SOS Children's Villages – Florida, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of SOS Children's Villages – Florida, Inc.'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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a 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 SOS Children's Villages – Florida, Inc.'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*.

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## 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.

*Bellows Associates P.A.*

Bellows Associates, PA  
Plantation, Florida  
September 10, 2020





INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of  
SOS Children's Villages – Florida, Inc.  
Coconut Creek, Florida

**Report on Compliance for Each Major Federal Program**

We have audited SOS Children's Villages – Florida, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SOS Children's Villages – Florida, Inc.'s major federal programs for the year ended December 31, 2019. SOS Children's Villages – Florida, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of SOS Children's Villages – Florida, Inc.'s major federal programs 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 occurred. An audit includes examining, on a test basis, evidence about SOS Children's Villages – Florida, 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. However, our audit does not provide a legal determination of SOS Children's Villages – Florida, Inc.'s compliance.

***Opinion on Each Major Federal Program***

In our opinion, SOS Children's Villages – Florida, 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 for the year ended December 31, 2019.

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## Report on Internal Control Over Compliance

Management of SOS Children's Villages – Florida, 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 SOS Children's Villages – Florida, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 SOS Children's Villages – Florida, 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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 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 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 have not been 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. Accordingly, this report is not suitable for any other purpose.

*Bellows Associates P.A.*

Bellows Associates, PA  
Plantation, Florida  
September 10, 2020

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2019**

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of SOS were prepared in accordance with GAAP.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of SOS were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award program for SOS expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.

7. SOS's program tested as major was:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
<u>United States Department of Health and Human Services: Foster Care - Title IV-E</u>	93.658

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. SOS was determined to be a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

No matters are reportable.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

No matters are reportable.

**SOS CHILDREN'S VILLAGES - FLORIDA, INC.**  
**Corrective Action Plan**  
**For the Year Ended December 31, 2019**

No matters are reportable.