



SHERIDAN HOUSE
ANSWERS FOR TODAY'S FAMILY

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2020 and 2019

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES

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HERITAGE ACCOUNTING & AUDIT SERVICES, INC.

A CPA FIRM

INDEPENDENT AUDITORS' REPORT

Board of Directors
Sheridan House Family Ministries, Inc. and Affiliates
Davie, Florida

Opinion

We have audited the accompanying consolidated financial statements of Sheridan House Family Ministries, Inc. (a Florida nonprofit organization) and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements. The consolidated financial statements of Sheridan House Family Ministries, Inc. and Affiliates as December 31, 2019, were audited by other auditors whose report dated March 25, 2020, expressed an unmodified opinion on those statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sheridan House Family Ministries, Inc. and Affiliates as of December 31, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sheridan House Family Ministries, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sheridan House Family Ministries, Inc. and Affiliates ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Sheridan House Family Ministries, Inc. and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sheridan House Family Ministries, Inc. and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Heritage Accounting & Audit Services, Inc.

Davie, Florida
April 1, 2021

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED

December 31,

2020

2019

ASSETS

Cash and cash equivalents	\$ 4,495,984	\$ 3,922,749
Prepaid expenses and other assets	162,179	152,990
Investments held for long-term purposes	945,284	896,762
Beneficial interest in trusts	301,000	471,100
Property and equipment, net	15,793,663	15,504,272
TOTAL ASSETS	\$ 21,698,110	\$ 20,947,873

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 102,475	\$ 43,139
Notes payable	1,501,346	1,536,275
TOTAL LIABILITIES	1,603,821	1,579,414

NET ASSETS

Without donor restrictions:		
Undesignated	3,053,026	3,062,456
Equity in property and equipment	14,292,317	13,967,997
	17,345,343	17,030,453
With donor restrictions:		
Restricted by purpose or time	2,211,886	1,800,946
Restricted in perpetuity	537,060	537,060
	20,094,289	19,368,459
TOTAL LIABILITIES AND NET ASSETS	\$ 21,698,110	\$ 20,947,873

See accompanying notes to financial statements.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE			
Support:			
Contributions	\$ 1,855,238	\$ 732,500	\$ 2,587,738
Noncash contributions	2,437,228	314,683	2,751,911
Revenue:			
Special events	575,499	-	575,499
Counseling	234,438	-	234,438
Interest income	51,832	-	51,832
Other income	447,472	-	447,472
Total Operating Support and Revenue	5,601,707	1,047,183	6,648,890
RECLASSIFICATIONS:			
Satisfaction of purpose/time restrictions	702,745	(702,745)	-
EXPENSES			
Program Services:			
Residential care services	1,748,202	-	1,748,202
Community services	585,855	-	585,855
Single parent ministries	2,028,492	-	2,028,492
Counseling services	663,778	-	663,778
Supporting Activities:			
Management and general	529,350	-	529,350
Fundraising	378,158	-	378,158
Special events	55,727	-	55,727
Total Expenses	5,989,562	-	5,989,562
Change in Net Assets from Operations	314,890	344,438	659,328

(continued)

See accompanying notes to financial statements.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
NONOPERATING ACTIVITIES:			
Gains on investments held for long-term purposes	-	54,002	54,002
Change in value of beneficial interest in trusts	-	12,500	12,500
Change in Net Assets from Nonoperating Activities	<u>-</u>	<u>66,502</u>	<u>66,502</u>
Change in Net Assets	314,890	410,940	725,830
Net Assets, Beginning of Year	<u>17,030,453</u>	<u>2,338,006</u>	<u>19,368,459</u>
Net Assets, End of Year	<u><u>\$ 17,345,343</u></u>	<u><u>\$ 2,748,946</u></u>	<u><u>\$ 20,094,289</u></u>

See accompanying notes to financial statements.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE			
Support:			
Contributions	\$ 1,751,415	\$ 484,500	\$ 2,235,915
Noncash contributions	1,796,030	158,985	1,955,015
Revenue:			
Special events	894,611	-	894,611
Counseling	344,087	-	344,087
Interest income	69,892	-	69,892
Other income	156,877	-	156,877
Total Operating Support and Revenue	5,012,912	643,485	5,656,397
RECLASSIFICATIONS:			
Satisfaction of purpose/time restrictions	31,254	(31,254)	-
EXPENSES			
Program Services:			
Residential care services	1,592,520	-	1,592,520
Community services	476,192	-	476,192
Single parent ministries	1,601,891	-	1,601,891
Counseling services	710,760	-	710,760
Supporting Activities:			
Management and general	482,967	-	482,967
Fundraising	457,057	-	457,057
Special events	135,661	-	135,661
Total Expenses	5,457,048	-	5,457,048
Change in Net Assets from Operations	(412,882)	612,231	199,349

(continued)

See accompanying notes to financial statements.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
NONOPERATING ACTIVITIES:			
Gains on investments held for long-term purposes	-	140,213	140,213
Change in value of beneficial interest in trusts	-	800	800
Change in Net Assets from Nonoperating Activities	<u>-</u>	<u>141,013</u>	<u>141,013</u>
Change in Net Assets	(412,882)	753,244	340,362
Net Assets, Beginning of Year	<u>17,443,335</u>	<u>1,584,762</u>	<u>19,028,097</u>
Net Assets, End of Year	<u>\$ 17,030,453</u>	<u>\$ 2,338,006</u>	<u>\$ 19,368,459</u>

See accompanying notes to financial statements.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services				Supporting Services				Total Expenses
	Residential Care Services	Community Services	Single Parent Ministries	Counseling Services	Total Program Services	Management and General	Fundraising	Special Events	
Salaries, taxes, and benefits	\$ 816,871	\$ 132,486	\$ 283,938	\$ 161,041	\$ 1,394,336	\$ 304,741	\$ 235,235	\$ -	\$ 1,934,312
Facilities and occupancy	51,664	4,674	11,572	5,752	73,662	12,931	7,974	-	94,567
Depreciation	186,151	17,760	138,541	37,168	379,620	27,432	10,868	-	417,920
Insurance	74,180	10,566	25,471	13,542	123,759	44,798	17,248	-	185,805
Repairs and maintenance	65,739	6,685	49,998	13,185	135,607	35,883	4,723	-	176,213
Food and household	40,498	-	503	-	41,001	606	-	-	41,607
Education and recreation	9,268	-	-	-	9,268	-	-	-	9,268
Vehicle expenses	8,329	658	1,363	810	11,160	18,962	1,123	-	31,245
Interest expense	24,411	2,447	18,722	5,069	50,649	3,318	1,231	-	55,198
Technology costs	15,679	2,681	5,551	3,299	27,210	5,688	4,573	-	37,471
Direct benefits to donors	-	-	-	-	-	-	-	16,552	16,552
Costs of goods sold	-	-	-	-	-	-	-	39,175	39,175
Development costs	-	-	-	-	-	-	89,731	-	89,731
Office supplies and expense	2,426	243	1,861	504	5,034	31,091	122	-	36,247
Contract and professional services	28,444	3,128	39,143	209,949	280,664	36,454	5,330	-	322,448
Public service advertisements	419,179	252,579	353,139	213,459	1,238,356	-	-	-	1,238,356
Distributed food and clothing	5,363	151,948	1,098,690	-	1,256,001	7,446	-	-	1,263,447
Totals	\$ 1,748,202	\$ 585,855	\$ 2,028,492	\$ 663,778	\$ 5,026,327	\$ 529,350	\$ 378,158	\$ 55,727	\$ 5,989,562

See accompanying notes to financial statements.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services				Supporting Services				Total Expenses
	Residential Care Services	Community Services	Single Parent Ministries	Counseling Services	Total Program Services	Management and General	Fundraising	Special Events	
Salaries, taxes, and benefits	\$ 801,959	\$ 134,073	\$ 241,358	\$ 151,802	\$ 1,329,192	\$ 262,485	\$ 252,084	\$ -	\$ 1,843,761
Facilities and occupancy	56,059	5,193	10,989	5,906	78,147	12,605	9,604	-	100,356
Depreciation	188,100	20,057	139,983	35,888	384,028	25,145	10,857	-	420,030
Insurance	68,780	9,795	21,111	11,590	111,276	40,446	17,466	-	169,188
Repairs and maintenance	37,590	3,447	22,360	5,941	69,338	37,956	3,464	-	110,758
Food and household	61,158	-	1,877	-	63,035	911	-	-	63,946
Education and recreation	37,294	-	-	-	37,294	-	-	-	37,294
Vehicle expenses	10,677	722	1,390	821	13,610	19,964	1,336	-	34,910
Interest expense	25,090	2,149	19,076	4,452	50,767	3,184	1,080	-	55,031
Technology costs	13,515	2,401	4,340	2,730	22,986	4,556	4,440	-	31,982
Direct benefits to donors	-	-	-	-	-	-	-	127,396	127,396
Costs of goods sold	-	-	-	-	-	-	-	8,265	8,265
Development costs	-	-	-	-	-	-	150,335	-	150,335
Office supplies and expense	2,411	206	1,833	427	4,877	31,320	103	-	36,300
Contract and professional services	29,519	3,400	48,996	3,867	85,782	35,176	6,288	-	127,246
Public service advertisements	259,620	157,981	237,141	186,381	841,123	-	-	-	841,123
Distributed food and clothing	748	136,768	851,437	300,955	1,289,908	9,219	-	-	1,299,127
Totals	\$ 1,592,520	\$ 476,192	\$ 1,601,891	\$ 710,760	\$ 4,381,363	\$ 482,967	\$ 457,057	\$ 135,661	\$ 5,457,048

See accompanying notes to financial statements.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

	December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 725,830	\$ 340,362
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciaton	417,920	420,030
Non-cash donations of property and equipment	(314,683)	(158,985)
Contributions restricted for long-term purposes	(732,500)	(484,500)
Changes in operating assets and liabilities:		
(Increase) decrease in construction in process	71,338	-
(Increase) decrease in prepaid expenses and other assets	(9,188)	46,876
(Increase) decrease in beneficial interest in trusts	170,100	(800)
Increase (decrease) in accounts payable and accrued expenses	59,337	(34,572)
Net Cash Provided by (Used in) Operating Activities	388,154	128,411
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(23,747)	(482,984)
Proceeds from sale of investments	(48,522)	(135,033)
Additions to contruction in progress costs	(440,221)	-
Net Cash (Used in) Investing Activities	(512,490)	(618,017)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term purposes	732,500	484,500
Repayments of notes payable	(36,448)	(41,024)
Borrowings PPP loan	1,519	-
Net Cash Provided by Financing Activities	697,571	443,476
Net Change in Cash and Cash Equivalents	573,235	(46,130)
Cash and Cash Equivalents, Beginning of Year	3,922,749	3,968,879
Cash and Cash Equivalents, End of Year	\$ 4,495,984	\$ 3,922,749
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	\$ 66,342	\$ 71,034

See accompanying notes to financial statements.

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

1. NATURE OF ORGANIZATION

Sheridan House Family Ministries, Inc. and Affiliates (the Organization) is the consolidated financial reporting entity for Sheridan House Family Ministries, Inc. (Sheridan House Family Ministries) and its subsidiaries, Sheridan House, Inc. (Sheridan House), and 54th Court Investments, LLC (54th Court LLC).

Sheridan House Family Ministries was incorporated in 2007 as a Florida not-for-profit corporation and is exempt from federal income tax on related activities under Section 501(c)(3) of the Internal Revenue Code (the Code) and comparable State law. Sheridan House Family Ministries is classified as a publicly supported organization, which is not a private foundation under section 509(a)(1) of the code, and contributions to it are tax deductible within the limitations prescribed by the Code.

Sheridan House Family Ministries exists to honor Christ by serving the needs of children and families. Sheridan House Family Ministries accomplishes its objectives through the following program services:

Residential care services - Our chief objective is to provide the structure and environment that allows the child to make the life changes necessary to accept responsibility for their behavior at home and school and develop essential life skills. It is also our desire to equip and educate the parents of our children so the child can graduate and re-enter the home successfully. Our deepest hope is that during this process each family member will come to know Jesus Christ as their Lord and Savior and experience the personal love that God has for each of them.

Community services- Sheridan House Family Ministries presents marriage and parenting seminars. These seminars are conducted for corporations, businesses, churches, public and private schools. We also have resources necessary to navigate marriage and parenting from a healthy, biblical perspective. Sheridan House Family Ministries provides a number of resources including marriage and parenting books, CDs and DVDs.

Single parent ministries- Since 1992, Sheridan House Family Ministries has partnered with local churches to serve single moms in need. We believe that single moms are this generation's "widow and orphans." Whether the need is spiritual, emotional, or financial, we strive to help meet the individual single mom in her specific area of need. Specifically, we currently provide food and clothing on an ongoing basis to single moms. In an effort to better meet needs, we offer intensive group training in areas such as finances, parenting, resume preparation, and interviewing skills, as well as meal planning on a budget and more. Our goal is that through this training we can help to equip these moms with the knowledge necessary for them to succeed in life. Beginning in 2019, the ministry has also been able to provide transitional housing for single moms.

Counseling services- If you or someone you know is facing a life challenge, the Sheridan House Family Ministries Counseling Center is a safe place to turn to for guidance and support. Our staff consists of Christian licensed mental health professionals. For decades, our counseling center has provided confidential and professional services to people of all walks of life. We are careful to respond to each person's needs with love, honesty, respect and integrity. The Counseling Center offers individual, marital, and family counseling to people seeking assistance with a full range of presenting issues.

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

1. NATURE OF ORGANIZATION, continued:

Sheridan House was incorporated in 1969 as a Florida not-for-profit corporation and is exempt from federal income tax under Section(c)(3) of the Code and comparable State law. The purpose of Sheridan House is to support the ministries of Sheridan House Family Ministries. Sheridan House is classified as a publicly supported organization, which is not a private foundation under section 509(a)(1) of the Code, and contributions to it are tax deductible within the limitations prescribed by the Code. It is also classified as a Type II supporting organization under Section 509(a)(3). Control of Sheridan House by Sheridan House Family Ministries is complete because a majority of the Sheridan House board of directors are members of the Sheridan House Family Ministries board of directors.

54th Court LLC was incorporated in 2015 as a Florida limited liability company. The purpose of 54th Court LLC is to hold certain contributed funds until their ultimate disposition. Control of 54th Court LLC by Sheridan House is complete because Sheridan House is the sole voting member of 54th Court LLC. 54th Court LLC owns 5% of a certain for profit- entity, the earnings of which are contributed to a certain unrelated non-profit foundation for the benefit of the Organization. The for-profit entity is not consolidated in these consolidated financial statements due to lack of control by the Organization. There was no activity for 54th Court LLC for both years ended December 31, 2020 and 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the operations of Sheridan House Family Ministries, Sheridan House, and 54th Court LLC. All significant inter-company balances and transaction have been eliminated.

OPERATING AND NONOPERATING ACTIVITES

The consolidated statements of activities present the change in net assets of the Organization from operating and non-operating activities. Operating revenues and expenses relate primarily to donations, both cash and noncash, received from the general public and payments for counseling services. Non-operating revenues relate primarily to the change in value of the beneficial interest in trusts and income from investments held for long-term purposes.

USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash held in checking, savings, certificates of deposits and other highly liquid accounts with original maturities of less than 90 days. While occasionally deposits may be in excess of federally insured limits, the Organization has not experienced any losses in such accounts, and management believes that it is not exposed to any significant credit risk on cash and cash equivalents. All cash held in investment brokerage accounts is considered investments for purposes of the consolidated financial statements. At December 31, 2020 and 2019, the Organization's cash balances exceeded federally insured limits by \$3,881,126 and \$3,405,722, respectively.

PROPERTY AND EQUIPMENT-NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years. Repairs and maintenance and small equipment purchases are expensed as incurred. Expenditures that significantly increase asset value or extend useful lives are capitalized. Acquisitions of property and equipment in excess of \$400 that meet the capitalization requirements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gains or losses are included in the consolidated statements of activities.

INVESTMENTS HELD FOR LONG-TERM PURPOSES

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value. Investment income (loss) is from investments held for long-term purposes in excess of amounts utilized for operations as defined by the Organization's spending policy. Other investments are reported at cost. Donated investments are recorded at market value at the date of donation and thereafter carried in conformity with the stated policy.

BENEFICIAL INTEREST IN TRUSTS

The Organization is the beneficiary of certain irrevocable trusts held and administered by independent trustees. Under the terms of the trusts, the Organization has the irrevocable right to receive the remaining assets at the termination of the trust. The Organization's estimate of fair value is based on fair value information received from the trustees. These assets are not subject to the control or direction of the Organization. Gains and losses, which are not distributed by the trusts, are reflected as change in value of beneficial interest in trusts in the consolidated statements of activities. Distributions received from the trustee are with donor restrictions. The Organization recognized an asset for the estimated present value of its benefits under the arrangements. Periodic adjustments are made for changes in estimated present value using applicable mortality tables and discount rates.

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by class of net assets:

Net assets without donor restrictions are currently available at the discretion of the board of directors for use in operations. Equity in property and equipment represent amounts invested in property and equipment net of related debt.

Net assets with donor restrictions – restricted by purpose of time are stipulated by donors for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

Net assets with donor restrictions – restricted in perpetuity are contributed with donor restrictions requiring that they be held in perpetuity with income used for general ministry purposes.

All contributions are considered available without donor restriction unless specifically restricted by the donor or subject to other legal restrictions.

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to the Organization.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications.

The Organization reports donations of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated goods (including securities) are recorded at fair value at the date of the gift. Donated goods consists primarily of food and beverages donated from area grocery stores for use in the residential care services and single parent ministries programs as well as donated air-time from local radio and television stations airing public service advertisements on behalf of the Organization.

Expenses are reported when costs are incurred in accordance with the accrual basis of accounting. The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

reasonable basis that is consistently applied. These expenses include certain administrative salaries and benefits, information technology, telephone, utility, and insurance expenses, all allocated based on time spent by staff in each service area. Depreciation and interest expense are allocated based on square footage.

RECENTLY ISSUED ACCOUNTING STANDARD

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. The Organization adopted the provisions of this new standard during the year ended December 31, 2019. The new standard applies to exchange transaction with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited consolidated financial statements were required on a retrospective basis. Adoption of this standard has no effect on change in net assets or assets in total.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects the Organization's financial assets as December 31, 2020 and 2019, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities of honoring Christ by serving the needs of children and families as well as the conduct of services undertaken to support those activities to be general expenditures.

	December 31,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 4,495,984	\$ 3,922,749
Accounts receivable	-	142
Cash surrender value of life insurance policies	57,028	55,548
Investments held for long-term purposes	945,284	896,762
Beneficial interest in trusts	301,000	471,100
Financial assets, at year-end	5,799,296	5,346,301
Less those not available for general expenditure within one year:		
Perpetual endowments and accumulated earnings subject to appropriation beyond one year	(945,284)	(896,762)
Cash surrender value of life insurance policies	(57,028)	(55,548)
Beneficial interest in trusts	(301,000)	(471,100)
	(1,303,312)	(1,423,410)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,495,984	\$ 3,922,891

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

3. **LIQUIDITY AND FUNDS AVAILABLE, continued:**

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has \$1,158,279 in net assets with donor restrictions for various project support. These funds are considered available to meet needs for general expenditures as funds are used for their donor restricted purpose.

4. **INVESTMENTS HELD FOR LONG-TERM PURPOSES:**

Investments held for long-term purposes consist of:

	December 31,	
	2020	2019
Held at cost:		
Cash and cash equivalents	\$ 31,970	\$ 39,796
Held at fair value:		
Mutual funds	555,271	516,470
Equities	358,043	340,496
	913,314	856,966
	\$ 945,284	\$ 896,762

5. **PREPAID EXPENSES AND OTHER ASSETS:**

Prepaid expenses and other assets consist of:

	December, 31	
	2020	2019
Cash surrender value of life insurance policies	\$ 57,028	\$ 55,548
Prepaid expense	85,268	58,498
Inventories	1,500	34,720
Security deposits	5,382	4,082
Accounts receivable	13,001	142
	\$ 162,179	\$ 152,990

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

6. **PROPERTY AND EQUIPMENT-NET:**

Property and equipment-net, consists of:

	December 31,	
	2020	2019
Land and improvements	\$ 10,134,866	\$ 10,068,584
Buildings and improvements	9,109,939	8,279,237
Furniture, fixtures, and equipment	1,056,920	1,062,585
	<u>20,301,725</u>	<u>19,410,406</u>
Less accumulated depreciation	(5,444,584)	(5,046,826)
	14,857,141	14,363,580
Construction in progress	936,522	1,140,692
Property and equipment-net	<u>15,793,663</u>	<u>15,504,272</u>
Less notes payable	(1,501,346)	(1,536,275)
	<u>\$ 14,292,317</u>	<u>\$ 13,967,997</u>
Equity in property and equipment		

Total interest incurred and capitalized for the years ended December 31, 2020 and 2019, is presented as follows:

	December 31,	
	2020	2019
Interest incurred	\$ 66,342	\$ 71,034
Interest capitalized	(11,144)	(16,003)
	<u>\$ 55,198</u>	<u>\$ 55,031</u>
Interest expense – net		

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

7. **NOTES PAYABLE:**

Notes payable consists of:

	December 31,	
	2020	2019
Promissory note payable to a certain financial institution with an original balance of \$6,745,699; collateralized by certain real property; bears interest at a fixed rate of 4.25%; monthly payments of principal and interest in the amount of \$8,389, with a final payment of all unpaid principal and accrued interest due to maturity in February 2022.	\$ 1,501,346	\$ 1,536,275
Vehicle note payable-repaid in full during the year ended December 31, 2019.	-	-
	\$ 1,501,346	\$ 1,536,275

Per the promissory note payable, the Organization is required to meet certain time covenants. As of December 31, 2020 and 2019, all time covenants have been met.

Notes payable are estimated to mature as follows:

Years Ending December 31,	Amounts
2021	\$ 37,660
2022	1,463,686
	\$ 1,501,346

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

8. **NET ASSETS:**

Net assets consist of:

	December 31,	
	2020	2019
Without donor restrictions:		
Undesignated	\$ 3,053,026	\$ 3,062,456
Equity in property and equipment	14,292,317	13,967,997
	17,345,343	17,030,453
With donor restrictions:		
Restricted by purpose or time:		
Beneficial interest in trusts	301,000	471,100
Capital projects	1,136,292	654,785
Gift-in-kind donations (capital projects)	344,383	284,709
Counseling center	21,986	30,950
Unexpended endowment earnings	408,224	359,702
	2,211,885	1,800,946
Restricted in perpetuity:		
Endowment funds	537,060	537,060
	2,748,946	2,338,006
	\$ 20,094,289	\$ 19,368,459

9. **EMPLOYEE BENEFIT PLAN:**

The Organization offers all eligible employees the opportunity to participate in a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) Plan (the Plan). The Plan allows voluntary employee contributions and includes employer matching contributions of up to 3%. For the years ended December 31, 2020 and 2019, the Organization made contributions of \$38,745 and \$36,204 to the plan, respectively.

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

10. COMMITMENTS:

OPERATING LEASES

The Organization leases certain office equipment and property under non-cancelable operating lease agreements. Rental and lease expense totaled \$11,499 and \$13,703 for the years ended December 31, 2020 and 2019. Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of December 31, 2020 are as follows:

Years Ending December 31,	Amounts
2021	\$ 11,499
2022	11,499
2023	10,417
2024	4,190
	\$ 37,604

11. ENDOWMENT FUNDS:

The Organization's endowment consist of three donor gifts restricted for a variety of purposes. Its endowment included donor-restricted endowment funds. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Donor-restricted endowments are classified as net assets with donor restrictions.

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the endowment in perpetuity, (b) the original value of subsequent gifts to the endowment in perpetuity, and (c) accumulations to the endowment in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restriction in perpetuity is classified as net assets with donor restrictions for purpose or time until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considered the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

11. **ENDOWMENT FUNDS, continued:**

Endowment net assets composition by type of fund as of December 31, 2020:

	With donor restrictions			Total funds
	Original gift Amount*	Accumulated gains (losses) and other	Total with donor restrictions	
Donor-restricted endowment funds	\$ 537,060	\$ 408,224	\$ 945,284	\$ 945,284

Changes in endowments net assets for the year ended December 31, 2020:

	With donor restrictions			Total funds
	Original gift amount*	Accumulated gains (losses) and other	Total with donor restrictions	
Endowments net assets, January 1, 2020	\$ 537,060	\$ 359,702	\$ 896,762	\$ 896,762
Investment return, net	-	54,002	54,002	54,002
Other	-	(5,480)	(5,480)	(5,480)
Endowments net assets, December 31, 2020	<u>\$ 537,060</u>	<u>\$ 408,224</u>	<u>\$ 945,284</u>	<u>\$ 945,284</u>

Endowment net assets composition by type of fund as of December 31, 2019:

	With donor restrictions			Total funds
	Original gift Amount*	Accumulated gains (losses) and other	Total with donor restrictions	
Donor-restricted endowment funds	\$ 537,060	\$ 359,702	\$ 896,762	\$ 896,762

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

11. ENDOWMENT FUNDS, continued:

Changes in endowments net assets for the year ended December 31, 2019:

	With donor restrictions			Total funds
	Original gift amount*	Accumulated gains (losses) and other	Total with donor restrictions	
Endowments net assets, January 1, 2019	\$ 537,060	\$ 224,669	\$ 761,729	\$ 896,762
Investment return, net	-	140,213	140,213	140,213
Other	-	(5,180)	(5,180)	(5,180)
Endowments net assets, December 31, 2019	\$ 537,060	\$ 359,702	\$ 896,762	\$ 896,762

* This is the portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulations or by UPMIFA.

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no deficiencies of that nature as of December 31, 2020 and 2019.

Return objectives and risk parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds the Organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the board, the endowment assets are invested with the primary objective of preservation of corpus and the secondary objective of reasonable earnings that are consistent with prudent levels of risk.

Strategies employed for achieving objectives: To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policies and how the investment objectives relates to spending policy: The organization appropriates earnings each year based upon the stated purpose and policy established for each endowment fund. The amount of the appropriation is consistent with maintaining the corpus of the endowment plus inflation as measured by the Consumer Price Index on an accrued basis. When earnings for any year is less than the amount designated for appropriation, the amount of appropriation is reduced or eliminated in order to preserve the corpus plus inflation.

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

12. FAIR VALUE MEASUREMENTS:

The *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification (FASB ASC) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consists of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriation valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair values using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 and Level 2 inputs are not available.

The following table presents the fair value measurement of assets and liabilities recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020 and 2019, respectively:

	Fair Value Measurements at			
	December 31, 2020			
	Total	Level 1	Level 2	Level 3
Investments held for long-term purposes, at fair value:				
Mutual funds:				
Global equity	\$ 158,545	\$ 158,545	\$ -	\$ -
Fixed income	271,699	271,699	-	-
Other	125,027	125,027	-	-
	<u>555,271</u>	<u>555,271</u>	<u>-</u>	<u>-</u>
Equities:				
International	22,206	-	22,206	-
Large-cap	335,837	335,837	-	-
	<u>358,043</u>	<u>335,837</u>	<u>22,206</u>	<u>-</u>
Total investments held for long-term purposes, at fair value	<u>\$ 913,314</u>	<u>\$ 891,108</u>	<u>\$ 22,206</u>	<u>\$ -</u>
Beneficial interest in trusts	<u>\$ 301,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,000</u>

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

12. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at			
	December 31, 2019			
	Total	Level 1	Level 2	Level 3
Investments held for long-term purposes, at fair value:				
Mutual funds:				
Global equity	\$ 126,348	\$ 126,348	\$ -	\$ -
Fixed income	281,312	281,312	-	-
Other	108,810	108,810	-	-
	<u>516,470</u>	<u>516,470</u>	<u>-</u>	<u>-</u>
Equities:				
International	24,975	-	24,975	-
Large-cap	315,521	315,521	-	-
	<u>340,496</u>	<u>315,521</u>	<u>24,975</u>	<u>-</u>
Total investments held for long-term purposes, at fair value	<u>\$ 856,966</u>	<u>\$ 831,991</u>	<u>\$ 24,975</u>	<u>\$ -</u>
Beneficial interest in trusts	<u>\$ 471,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471,100</u>

The following tables provide further detail of the Level 3 fair value measurements for beneficial interest in trusts held by others:

	December 31,	
	2020	2019
Beginning balance:	\$ 471,100	\$ 470,300
Contributions of beneficial interests	-	-
Distributions of beneficial interests	(182,600)	-
Change in value of beneficial interest in trusts held by others	<u>12,500</u>	<u>800</u>
Ending balance	<u>\$ 301,000</u>	<u>\$ 471,100</u>

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

12. FAIR VALUE MEASUREMENTS, continued:

Methods and assumptions used by the Organization in estimating fair values are as follows:

Valuation techniques: Fair values for mutual funds and equities are determined by reference to quoted market prices and other relevant information generated by market transactions. The fair value of beneficial interest in trusts held by others is based on the value of the Organization's proportional share of the overall assets held by the other organizations.

Changes in valuations techniques: None.

13. RELATED PARTY TRANSACTIONS:

A certain director of the Organization's board is also the owner of a construction firm, which provided services to the Organization during the year ended December 31, 2019. Total payments made to the construction firm during the years ended December 31, 2020 and 2019 were \$0 and \$100,260, respectively. This director resigned from the Organization's board in 2019.

A certain director of the Organization's board is also the owner of a HVAC company, which provides services to the Organization during the years ended December 31, 2020 and 2019. Total payments made to the HVAC Company during the years ended December 31, 2020 and 2019 were \$14,390 and \$65,470, respectively. This relationship was approved by the Organization's board of directors.

A relative of the CEO of the Organization provided film and editing services to the Organization during the year ended December 31, 2020. Total payments made to this individual for the year ended December 31, 2020 was \$11,450. This relationship was approved by the Organization's board of directors.

14. SUBSEQUENT EVENTS:

In March 2020, the World Health Organization declared the outbreaks of COVID-19 a global pandemic. The responses by federal, state, and local governments have included stay-at-home orders, school closures, and restrictions on public gatherings, travel and non-essential business and services that have adversely affected workforces, economies, and financial markets resulting in significant economic downturn and volatility of markets. The heightened market risk and volatility associated with COVID-19 could materially affect the amounts reported in accompanying financial statements. Because of the uncertainty of the markets, management is unable to estimate the impact the pandemic will have.

Subsequent events have been evaluated through April 1, 2021, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTARY INFORMATION



HERITAGE ACCOUNTING & AUDIT SERVICES, INC.

A CPA FIRM

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Sheridan House Family Ministries, Inc. and Affiliates
Davie, Florida

We have audited the consolidated financial statements of Sheridan House Family Ministries, Inc. and Affiliates, as of the year ended December 31, 2020, and our report thereon dated April 1, 2021, which expresses an unmodified opinion on those consolidated financial statements appears on page 2. The consolidated financial statements of Sheridan House Family Ministries, Inc. and Affiliates as of December 31, 2019, were audited by other auditors whose report dated March, 25, 2020, expressed an unmodified opinion on those statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities (the information) are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Heritage Accounting & Audit Services, Inc.

Davie, Florida
April 1, 2021

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
ASSETS					
Cash and cash equivalents	\$ 1,398,053	\$ 3,097,931	\$ -	\$ -	\$ 4,495,984
Prepaid expenses and other assets	162,179	1,500,000	-	(1,500,000)	162,179
Investments held for long-term purposes	-	945,284	-	-	945,284
Beneficial interest in trusts	-	301,000	-	-	301,000
Property and equipment, net	<u>101,210</u>	<u>15,692,453</u>	<u>-</u>	<u>-</u>	<u>15,793,663</u>
TOTAL ASSETS	<u><u>\$ 1,661,442</u></u>	<u><u>\$ 21,536,668</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,500,000)</u></u>	<u><u>\$ 21,698,110</u></u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,599,710	2,765	\$ -	\$ (1,500,000)	\$ 102,475
Notes payable	-	1,501,346	-	-	1,501,346
TOTAL LIABILITIES	<u>1,599,710</u>	<u>1,504,111</u>	<u>-</u>	<u>(1,500,000)</u>	<u>1,603,821</u>
NET ASSETS					
Without donor restrictions:					
Undesignated	(61,464)	3,114,490	-	-	3,053,026
Equity in property and equipment	101,210	14,191,107	-	-	14,292,317
	<u>39,746</u>	<u>17,305,597</u>	<u>-</u>	<u>-</u>	<u>17,345,343</u>
With donor restrictions:					
Restricted by purpose or time	21,986	2,189,900	-	-	2,211,886
Restricted in perpetuity	-	537,060	-	-	537,060
	<u>61,732</u>	<u>20,032,557</u>	<u>-</u>	<u>-</u>	<u>20,094,289</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,661,442</u></u>	<u><u>\$ 21,536,668</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,500,000)</u></u>	<u><u>\$ 21,698,110</u></u>

See independent auditors' report on supplementary information.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
ASSETS					
Cash and cash equivalents	\$ 1,125,943	\$ 2,796,806	\$ -	\$ -	\$ 3,922,749
Prepaid expenses and other assets	152,990	1,507,348	-	(1,507,348)	152,990
Investments held for long-term purposes	-	896,762	-	-	896,762
Beneficial interest in trusts	-	471,100	-	-	471,100
Property and equipment, net	<u>123,375</u>	<u>15,380,897</u>	<u>-</u>	<u>-</u>	<u>15,504,272</u>
TOTAL ASSETS	<u>\$ 1,402,308</u>	<u>\$ 21,052,913</u>	<u>\$ -</u>	<u>\$ (1,507,348)</u>	<u>\$ 20,947,873</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,550,487	-	\$ -	\$ (1,507,348)	\$ 43,139
Notes payable	-	1,536,275	-	-	1,536,275
TOTAL LIABILITIES	<u>1,550,487</u>	<u>1,536,275</u>	<u>-</u>	<u>(1,507,348)</u>	<u>1,579,414</u>
NET ASSETS					
Without donor restrictions:					
Undesignated	(302,504)	3,364,960	-	-	3,062,456
Equity in property and equipment	123,375	13,844,622	-	-	13,967,997
	<u>(179,129)</u>	<u>17,209,582</u>	<u>-</u>	<u>-</u>	<u>17,030,453</u>
With donor restrictions:					
Restricted by purpose or time	30,950	1,769,996	-	-	1,800,946
Restricted in perpetuity	-	537,060	-	-	537,060
	<u>(148,179)</u>	<u>19,516,638</u>	<u>-</u>	<u>-</u>	<u>19,368,459</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,402,308</u>	<u>\$ 21,052,913</u>	<u>\$ -</u>	<u>\$ (1,507,348)</u>	<u>\$ 20,947,873</u>

See independent auditors' report on supplementary information.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:					
OPERATING SUPPORT AND REVENUE:					
Support:					
Contributions	\$ 2,032,738	\$ -	\$ -	\$ (177,500)	\$ 1,855,238
Noncash contributions	2,428,030	9,198	-	-	2,437,228
Revenue:					
Special events	575,499	-	-	-	575,499
Counseling	234,438	-	-	-	234,438
Rental Income	-	120,000	-	(120,000)	-
Interest income	12,193	39,639	-	-	51,832
Other income	460,113	(12,641)	-	-	447,472
Total Operating Support and Revenue	<u>5,743,011</u>	<u>156,196</u>	<u>-</u>	<u>(297,500)</u>	<u>5,601,707</u>
RECLASSIFICATIONS:					
Satisfaction of purpose/time restrictions	<u>8,964</u>	<u>693,781</u>	<u>-</u>	<u>-</u>	<u>702,745</u>

(continued)

See independent auditors' report on supplementary information.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

(continued)

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
EXPENSES:					
Program services:					
Residential care services	1,548,474	258,528	-	(58,800)	1,748,202
Community services	562,836	25,919	-	(2,900)	585,855
Single parent ministries	1,861,907	198,285	-	(31,700)	2,028,492
Counseling services	616,090	53,688	-	(6,000)	663,778
	<u>4,589,307</u>	<u>536,420</u>	-	<u>(99,400)</u>	<u>5,026,327</u>
Supporting activities					
Management and general	512,741	204,509	-	(187,900)	529,350
Fundraising	375,325	13,033	-	(10,200)	378,158
Special events	55,727	-	-	-	55,727
Total Expenses	<u>5,533,100</u>	<u>753,962</u>	-	<u>(297,500)</u>	<u>5,989,562</u>
Change in Net Assets Without Donor Restrictions from Operations	<u>218,875</u>	<u>96,015</u>	-	-	<u>314,890</u>

(continued)

See independent auditors' report on supplementary information.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

(continued)

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:					
OPERATING SUPPORT AND REVENUE:					
Support:					
Contributions	-	732,500	-	-	732,500
Noncash contributions	-	314,683	-	-	314,683
Total Support and Revenue	-	1,047,183	-	-	1,047,183
RECLASSIFICATIONS:					
Satisfaction of purpose restrictions	(8,964)	(693,781)	-	-	(702,745)
NONOPERATING ACTIVITIES:					
Income on investments held for long-term purposes	-	54,002	-	-	54,002
Change in value of beneficial interest in trusts	-	12,500	-	-	12,500
Change in Net Assets With Donor Restrictions from Nonoperating Activities	-	66,502	-	-	66,502
Change in Net Assets with Donor Restrictions	(8,964)	419,904	-	-	410,940
Change in Net Assets	209,911	515,919	-	-	725,830
Net Assets, Beginning of Year	(148,179)	19,516,638	-	-	19,368,459
Net Assets, End of Year	\$ 61,732	\$ 20,032,557	\$ -	\$ -	\$ 20,094,289

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SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:					
OPERATING SUPPORT AND REVENUE:					
Support:					
Contributions	\$ 1,626,415	\$ 125,000	\$ -	\$ -	\$ 1,751,415
Noncash contributions	1,783,739	12,291	-	-	1,796,030
Revenue:					
Special events	894,611	-	-	-	894,611
Counseling	344,087	-	-	-	344,087
Rental Income	-	120,000	-	(120,000)	-
Interest income	19,044	50,848	-	-	69,892
Other income	156,877	-	-	-	156,877
Total Operating Support and Revenue	<u>4,824,773</u>	<u>308,139</u>	<u>-</u>	<u>(120,000)</u>	<u>5,012,912</u>
RECLASSIFICATIONS:					
Satisfaction of purpose/time restrictions	<u>11,386</u>	<u>19,868</u>	<u>-</u>	<u>-</u>	<u>31,254</u>

(continued)

See independent auditors' report on supplementary information.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

(continued)

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
EXPENSES:					
Program services:					
Residential care services	1,426,248	228,672	-	(62,400)	1,592,520
Community services	459,702	19,590	-	(3,100)	476,192
Single parent ministries	1,454,334	173,857	-	(26,300)	1,601,891
Counseling services	676,581	40,579	-	(6,400)	710,760
	<u>4,016,865</u>	<u>462,698</u>	<u>-</u>	<u>(98,200)</u>	<u>4,381,363</u>
Supporting activities					
Management and general	467,885	26,082	-	(11,000)	482,967
Fundraising	458,006	9,851	-	(10,800)	457,057
Special events	135,661	-	-	-	135,661
Total Expenses	<u>5,078,417</u>	<u>498,631</u>	<u>-</u>	<u>(120,000)</u>	<u>5,457,048</u>
Change in Net Assets Without Donor Restrictions from Operations	<u>(242,258)</u>	<u>(170,624)</u>	<u>-</u>	<u>-</u>	<u>(412,882)</u>

(continued)

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SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

(continued)

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:					
OPERATING SUPPORT AND REVENUE:					
Support:					
Contributions	-	484,500	-	-	484,500
Noncash contributions	-	158,985	-	-	158,985
Total Support and Revenue	-	643,485	-	-	643,485
RECLASSIFICATIONS:					
Satisfaction of purpose restrictions	(11,386)	(19,868)	-	-	(31,254)
NONOPERATING ACTIVITIES:					
Income on investments held for long-term purposes	-	140,213	-	-	140,213
Change in value of beneficial interest in trusts	-	800	-	-	800
Change in Net Assets With Donor Restrictions from Nonoperating Activities	-	141,013	-	-	141,013
Change in Net Assets with Donor Restrictions	(11,386)	764,630	-	-	753,244
Change in Net Assets	(253,644)	594,006	-	-	340,362
Net Assets, Beginning of Year	105,465	18,922,632	-	-	19,028,097
Net Assets, End of Year	\$ (148,179)	\$ 19,516,638	\$ -	\$ -	\$ 19,368,459

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