



SHERIDAN HOUSE
ANSWERS FOR TODAY'S FAMILY

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2022 and 2021

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	2
 CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities and Changes In Net Assets	5
Consolidated Statements of Functional Expenses	9
Consolidated Statements of Cash Flows	11
Notes to Consolidated Financial Statements	12
 SUPPLEMENTARY INFORMATION	
Independent Auditors' Report on Supplementary Information.....	27
Consolidating Statement of Financial Position – 2022	28
Consolidating Statement of Financial Position – 2021	29
Consolidating Statement of Activities and Changes In Net Assets – 2022	30
Consolidating Statement of Activities and Changes In Net Assets – 2021	33



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, 2022 and 2021, 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.

In our opinion, the consolidated 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, 2022 and 2021, 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 5, 2023

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

December 31,

2022

2021

ASSETS

Cash and cash equivalents	\$ 4,228,976	\$ 3,393,305
Prepaid expenses and other assets	196,402	203,744
Investments held for long-term purposes	1,956,544	2,169,947
Beneficial interest in trusts	268,100	321,800
Property and equipment, net	16,630,145	16,895,303
TOTAL ASSETS	\$ 23,280,167	\$ 22,984,099

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 115,206	\$ 65,062
Notes payable	1,430,220	1,465,746
TOTAL LIABILITIES	1,545,426	1,530,808

NET ASSETS

Without donor restrictions:		
Undesignated	3,260,272	3,494,298
Equity in property and equipment	15,199,925	15,429,557
	18,460,197	18,923,855
With donor restrictions:		
Restricted by purpose or time	2,737,484	1,992,376
Restricted in perpetuity	537,060	537,060
	21,734,741	21,453,291
TOTAL LIABILITIES AND NET ASSETS	\$ 23,280,167	\$ 22,984,099

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE			
Support:			
Contributions	\$ 2,021,802	\$ 1,016,000	\$ 3,037,802
Noncash contributions	2,207,658	-	2,207,658
Revenue:			
Special events	668,814	-	668,814
Counseling	302,326	-	302,326
Interest income	24,940	-	24,940
Other income	213,918	-	213,918
Total Operating Support and Revenue	5,439,458	1,016,000	6,455,458
RECLASSIFICATIONS:			
Satisfaction of purpose/time restrictions	121,299	(121,299)	-
EXPENSES			
Program Services:			
Residential care services	1,607,945	-	1,607,945
Community services	538,956	-	538,956
Single parent ministries	2,093,378	-	2,093,378
Counseling services	773,725	-	773,725
Supporting Activities:			
Management and general	507,205	-	507,205
Fundraising	423,877	-	423,877
Special events	79,329	-	79,329
Total Expenses	6,024,415	-	6,024,415
Change in Net Assets from Operations	(463,658)	894,701	431,043

(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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
NONOPERATING ACTIVITIES:			
Loss on investments held for long-term purposes	-	(95,893)	(95,893)
Change in value of beneficial interest in trusts	-	(53,700)	(53,700)
Change in Net Assets from Nonoperating Activities	<u>-</u>	<u>(149,593)</u>	<u>(149,593)</u>
Change in Net Assets	(463,658)	745,108	281,450
Net Assets, Beginning of Year	<u>18,923,855</u>	<u>2,529,436</u>	<u>21,453,291</u>
Net Assets, End of Year	<u><u>\$ 18,460,197</u></u>	<u><u>\$ 3,274,544</u></u>	<u><u>\$ 21,734,741</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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE			
Support:			
Contributions	\$ 1,719,136	\$ 1,190,500	\$ 2,909,636
Noncash contributions	2,680,812	200,803	2,881,615
Revenue:			
Special events	666,230	-	666,230
Counseling	269,190	-	269,190
Interest income	30,897	-	30,897
Other income	671,841	-	671,841
Total Operating Support and Revenue	6,038,106	1,391,303	7,429,409
RECLASSIFICATIONS:			
Satisfaction of purpose/time restrictions	1,779,882	(1,779,882)	-
EXPENSES			
Program Services:			
Residential care services	1,702,492	-	1,702,492
Community services	643,864	-	643,864
Single parent ministries	2,101,744	-	2,101,744
Counseling services	755,241	-	755,241
Supporting Activities:			
Management and general	468,448	-	468,448
Fundraising	486,059	-	486,059
Special events	81,628	-	81,628
Total Expenses	6,239,476	-	6,239,476
Change in Net Assets from Operations	1,578,512	(388,579)	1,189,933

(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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
NONOPERATING ACTIVITIES:			
Gains on investments held for long-term purposes	-	148,269	148,269
Change in value of beneficial interest in trusts	-	20,800	20,800
Change in Net Assets from Nonoperating Activities	-	169,069	169,069
Change in Net Assets	1,578,512	(219,510)	1,359,002
Net Assets, Beginning of Year	17,345,343	2,748,946	20,094,289
Net Assets, End of Year	\$ 18,923,855	\$ 2,529,436	\$ 21,453,291

See accompanying notes to financial statements.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	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	\$ 763,876	\$ 127,475	\$ 305,126	\$ 145,163	\$ 1,341,640	\$ 263,351	\$ 224,834	\$ -	\$ 1,829,825
Facilities and occupancy	65,188	6,209	18,487	7,098	96,982	16,021	10,800	-	123,803
Depreciation	188,212	19,264	217,636	40,890	466,002	32,312	9,873	-	508,187
Insurance	86,264	13,576	37,710	16,164	153,714	51,618	22,662	-	227,994
Repairs and maintenance	66,791	6,754	100,928	12,990	187,463	34,485	3,915	-	225,863
Food and household	40,773	-	-	-	40,773	630	-	-	41,403
Education and recreation	48,667	-	-	-	48,667	-	-	-	48,667
Vehicle expenses	7,781	131	296	150	8,358	17,113	228	-	25,699
Interest expense	21,409	2,339	26,247	4,844	54,839	3,114	842	-	58,795
Technology costs	22,390	3,926	8,885	4,488	39,689	8,237	6,830	-	54,756
Direct benefits to donors	-	-	-	-	-	-	-	70,628	70,628
Costs of goods sold	-	-	-	-	-	-	-	8,701	8,701
Development costs	-	-	-	-	-	-	136,532	-	136,532
Office supplies and expense	3,936	430	4,826	891	10,083	45,387	155	-	55,625
Contract and professional services	38,744	4,158	9,591	4,772	57,265	27,309	7,206	-	91,780
Public service advertisements	252,020	203,620	321,940	272,434	1,050,014	-	-	-	1,050,014
Distributed food and clothing	1,894	151,074	1,041,706	263,841	1,458,515	7,628	-	-	1,466,143
Totals	\$ 1,607,945	\$ 538,956	\$ 2,093,378	\$ 773,725	\$ 5,014,004	\$ 507,205	\$ 423,877	\$ 79,329	\$ 6,024,415

See accompanying notes to financial statements.

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	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	\$ 731,698	\$ 125,027	\$ 290,815	\$ 143,045	\$ 1,290,585	\$ 257,916	\$ 242,358	\$ -	\$ 1,790,859
Facilities and occupancy	57,537	5,546	16,525	6,365	85,973	15,386	10,156	-	111,515
Depreciation	192,044	18,755	174,740	39,199	424,738	28,967	11,532	-	465,237
Insurance	73,945	11,656	29,804	13,891	129,296	45,052	20,603	-	194,951
Repairs and maintenance	52,693	5,113	41,458	9,517	108,781	22,947	4,116	-	135,844
Food and household	37,455	-	-	-	37,455	629	-	-	38,084
Education and recreation	56,730	-	-	-	56,730	-	-	-	56,730
Vehicle expenses	7,982	175	389	201	8,747	15,146	320	-	24,213
Interest expense	29,065	3,012	27,828	6,240	66,145	4,011	1,515	-	71,671
Technology costs	15,473	2,826	6,275	3,242	27,816	5,763	5,173	-	38,752
Direct benefits to donors	-	-	-	-	-	-	-	75,419	75,419
Costs of goods sold	-	-	-	-	-	-	-	6,209	6,209
Development costs	-	-	-	-	-	-	184,145	-	184,145
Office supplies and expense	3,479	361	3,331	747	7,918	38,485	181	-	46,584
Contract and professional services	40,855	3,387	37,955	4,055	86,252	26,757	5,960	-	118,969
Public service advertisements	402,349	296,109	422,629	305,483	1,426,570	-	-	-	1,426,570
Distributed food and clothing	1,187	171,897	1,049,995	223,256	1,446,335	7,389	-	-	1,453,724
Totals	\$ 1,702,492	\$ 643,864	\$ 2,101,744	\$ 755,241	\$ 5,203,341	\$ 468,448	\$ 486,059	\$ 81,628	\$ 6,239,476

See accompanying notes to financial statements.

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

	December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 281,450	\$ 1,359,002
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciaton	508,187	465,237
(Gain) loss on disposal of fixed assets	(500)	-
Non-cash donations of property and equipment	-	(200,803)
Contributions restricted for long-term purposes	(1,011,000)	(1,190,500)
Changes in operating assets and liabilities:		
(Increase) decrease in prepaid expenses and other assets	7,341	(41,565)
(Increase) decrease in beneficial interest in trusts	53,700	(11,551)
Increase (decrease) in accounts payable and accrued expenses	50,144	(37,411)
Net Cash Provided by (Used in) Operating Activities	(110,678)	342,409
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(160,807)	(113,312)
Proceeds from sale of property and equipment	500	38,000
Loss on sale of property and equipment	-	(35,000)
Additions to construction in progress costs	(82,221)	(1,265,013)
Purchases of investments	-	(1,000,000)
Loss on sale of securities	213,403	(224,663)
Net Cash (Used in) Investing Activities	(29,125)	(2,599,988)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term purposes	1,011,000	1,190,500
Repayments of notes payable	(35,526)	(35,600)
Net Cash Provided by (Used in) Financing Activities	975,474	1,154,900
Net Change in Cash and Cash Equivalents	835,671	(1,102,679)
Cash and Cash Equivalents, Beginning of Year	3,393,305	4,495,984
Cash and Cash Equivalents, End of Year	\$ 4,228,976	\$ 3,393,305
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	\$ 58,795	\$ 71,671

See accompanying notes to financial statements.

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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. Keeping with the times, in 2022 the Parenting classes on DVDs were made into a digital file that is accessible to those provided the resource.

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, 2022 AND 2021

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, 2022 and 2021.

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, designated gifts for future construction of buildings 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, 2022 AND 2021

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, 2022 and 2021, the Organization's cash balances exceeded federally insured limits by \$3,626,520 and \$2,833,080, 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 a certain irrevocable trust held and administered by an independent trustee. Under the terms of the trust, 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 trustee. These assets are not subject to the control or direction of the Organization. Gains and losses, which are not distributed by the trust, are reflected as change in value of beneficial interest in the trust 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, 2022 AND 2021

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

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued
program or supporting functions of the Organization. Therefore, these expenses require allocation on a 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.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects the Organization's financial assets as December 31, 2022 and 2021, 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,	
	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 4,228,976	\$ 3,393,305
Cash surrender value of life insurance policies	75,277	71,257
Investments held for long-term purposes	1,956,544	2,169,947
Beneficial interest in trusts	268,100	321,800
Financial assets, at year-end	6,528,897	5,956,309
Less those not available for general expenditure within one year:		
Perpetual endowments and accumulated earnings subject to appropriation beyond one year	(1,956,544)	(2,169,947)
Cash surrender value of life insurance policies	(75,277)	(71,257)
Beneficial interest in trusts	(268,100)	(321,800)
	(2,299,921)	(2,563,004)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,228,976	\$ 3,393,305

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 \$2,028,173 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.

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

4. INVESTMENTS HELD FOR LONG-TERM PURPOSES:

Investments held for long-term purposes consist of:

	December 31,	
	2022	2021
Held at cost:		
Cash and cash equivalents	\$ 43,801	\$ 51,344
Held at fair value:		
Mutual funds	884,546	953,710
Equities	1,028,197	1,164,893
	1,912,743	2,118,603
	1,956,544	\$ 2,169,947

5. PREPAID EXPENSES AND OTHER ASSETS:

Prepaid expenses and other assets consist of:

	December, 31	
	2022	2021
Cash surrender value of life insurance policies	\$ 75,277	\$ 71,257
Prepaid expense	93,622	81,929
Inventories	23,250	21,668
Security deposits	3,793	5,983
Accounts receivable	460	22,907
	\$ 196,402	\$ 203,744

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. PROPERTY AND EQUIPMENT-NET:

Property and equipment-net, consists of:

	December 31,	
	2022	2021
Land and improvements	\$ 10,281,578	\$ 10,239,464
Buildings and improvements	11,380,230	11,380,230
Furniture, fixtures, and equipment	1,160,947	1,052,022
	22,822,755	22,671,716
Less accumulated depreciation	(6,381,240)	(5,882,821)
	16,441,515	16,788,895
Construction in progress	188,630	106,408
Property and equipment-net	16,630,145	16,895,303
Less notes payable	(1,430,220)	(1,465,746)
	\$ 15,199,925	\$ 15,429,557

Total interest incurred and capitalized for the years ended December 31, 2022 and 2021, is presented as follows:

	December 31,	
	2022	2021
Interest incurred	\$ 58,795	\$ 62,423
Interest capitalized	-	9,248
	\$ 58,795	\$ 71,671
Interest expense – net	\$ 58,795	\$ 71,671

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

7. NOTES PAYABLE:

Notes payable consists of:

	December 31,	
	2022	2021
<p>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.</p>	\$ 1,430,220	\$ 1,465,746
<p>The loan was renegotiated in July, 2021, lowering the interest rate to fixed rate of 4.0%, resulting in monthly payments of principal and interest in the amount of \$7,860, with a final payment of all unpaid principal and accrued interest due at maturity in July, 2031.</p>	\$ 1,430,220	\$ 1,465,746

Per the promissory note payable, the Organization is required to meet certain time covenants. As of December 31, 2022 and 2021, all time covenants have been met.

Notes payable are estimated to mature as follows:

Years Ending December 31,	Amounts
2023	\$ 36,933
2024	38,437
2025	40,004
2026	41,633
2027	43,501
Thereafter	1,229,712
	\$ 1,430,220

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

8. NET ASSETS:

Net assets consist of:

	December 31,	
	2022	2021
Without donor restrictions:		
Undesignated	\$ 3,260,269	\$ 3,494,298
Equity in property and equipment	15,199,925	15,429,557
	18,460,194	18,923,855
With donor restrictions:		
Restricted by purpose or time:		
Beneficial interest in trusts	268,100	321,800
Capital projects	2,014,479	1,102,945
Gift-in-kind donations (capital projects)	-	-
Counseling center	13,694	19,718
Unexpended endowment earnings	441,212	547,913
	2,737,485	1,992,376
Restricted in perpetuity:		
Endowment funds	537,060	537,060
	3,274,545	2,529,436
	\$ 21,734,739	\$ 21,453,291

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, 2022 and 2021, the Organization made contributions of \$36,617 and \$36,412 to the plan, respectively.

10. COMMITMENTS:

OPERATING LEASES

The Organization leases certain office equipment and property under non-cancelable operating lease agreements. Rental and lease expense totaled \$15,557 and \$11,499 for the years ended December 31, 2022 and 2021. Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of December 31, 2022 are as follows:

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. COMMITMENTS, continued:

Years Ending December 31,	Amounts
2023	\$ 18,142
2024	11,563
2025	4,916
	\$ 34,621

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, 2022 AND 2021

11. ENDOWMENT FUNDS, continued:

Endowment net assets composition by type of fund as of December 31, 2022:

	With donor restrictions			Total funds
	Original gift Amount*	Accumulated gains (losses) and other	Total with donor restrictions	
Donor-restricted endowment funds	\$ 537,060	\$ 441,212	\$ 978,272	\$ 978,272

Changes in endowments net assets for the year ended December 31, 2022:

	With donor restrictions			Total funds
	Original gift amount*	Accumulated gains (losses) and other	Total with donor restrictions	
Endowments net assets, January 1, 2022	\$ 537,060	\$ 547,913	\$1,084,973	\$ 1,084,973
Investment return, net	-	(95,892)	(95,892)	(95,892)
Other	-	(10,809)	(10,809)	(10,809)
Endowments net assets, December 31, 2022	\$ 537,060	\$ 441,212	\$ 978,272	\$ 978,272

Endowment net assets composition by type of fund as of December 31, 2021:

	With donor restrictions			Total funds
	Original gift Amount*	Accumulated gains (losses) and other	Total with donor restrictions	
Donor-restricted endowment funds	\$ 537,060	\$ 547,913	\$ 1,084,973	\$ 1,084,973

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. ENDOWMENT FUNDS, continued:

Changes in endowments net assets for the year ended December 31, 2021:

	With donor restrictions			Total funds
	Original gift amount*	Accumulated gains (losses) and other	Total with donor restrictions	
Endowments net assets, January 1, 2021	\$ 537,060	\$ 408,224	\$ 945,284	\$ 945,284
Investment return, net	-	148,269	148,269	148,269
Other	-	(8,580)	(8,580)	(8,580)
Endowments net assets, December 31, 2021	\$ 537,060	\$ 547,913	\$ 1,084,973	\$ 1,084,973

* 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, 2022 and 2021.

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, 2022 AND 2021

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, 2022 and 2021, respectively:

	Fair Value Measurements at			
	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Investments held for long-term purposes, at fair value:				
Mutual funds:				
Global equity	\$ 246,345	\$ 246,345	\$ -	\$ -
Fixed income	263,485	263,485	-	-
Other	374,716	374,716	-	-
	<u>884,546</u>	<u>884,546</u>	<u>-</u>	<u>-</u>
Equities:				
International	-	-	-	-
Large-cap	1,028,197	1,028,197	-	-
	<u>1,028,197</u>	<u>1,028,197</u>	<u>-</u>	<u>-</u>
Total investments held for long-term purposes, at fair value	<u>\$ 1,912,743</u>	<u>\$ 1,912,743</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in trusts	<u>\$ 268,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,100</u>

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

12. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at			
	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Investments held for long-term purposes, at fair value:				
Mutual funds:				
Global equity	\$ 296,125	\$ 296,125	\$ -	\$ -
Fixed income	271,313	271,313	-	-
Other	386,272	386,272	-	-
	<u>953,710</u>	<u>953,710</u>	<u>-</u>	<u>-</u>
Equities:				
International	-	-	-	-
Large-cap	1,164,893	1,164,893	-	-
	<u>1,164,893</u>	<u>1,164,893</u>	<u>-</u>	<u>-</u>
Total investments held for long-term purposes, at fair value	<u>\$ 2,118,603</u>	<u>\$ 2,118,603</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in trusts	<u>\$ 321,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,800</u>

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

	December 31,	
	2022	2021
Beginning balance:	\$ 321,800	\$ 301,000
Contributions of beneficial interests	-	-
Distributions of beneficial interests	-	-
Change in value of beneficial interest in trusts held by others	<u>(53,700)</u>	<u>20,800</u>
Ending balance	<u>\$ 268,100</u>	<u>\$ 321,800</u>

SHERIDAN HOUSE FAMILY MINISTRIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 HVAC company, which provides services to the Organization during the years ended December 31, 2022 and 2021. Total payments made to the HVAC Company during the years ended December 31, 2022 and 2021 were \$29,395 and \$124,604, 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 years ended December 31, 2022 and 2021. Total payments made to this individual for the years ended December 31, 2022 and 2021 were \$23,000 and \$21,000, respectively. 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 5, 2023, 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 years ended December 31, 2022 and 2021, and our report thereon dated April 5, 2023, which expresses an unmodified opinion on those consolidated financial statements appears on page 2. 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 5, 2023

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
ASSETS					
Cash and cash equivalents	1,606,912	\$ 2,622,064	\$ -	\$ -	\$ 4,228,976
Prepaid expenses and other assets	194,134	1,502,268	-	(1,500,000)	196,402
Investments held for long-term purposes	-	1,956,544	-	-	1,956,544
Beneficial interest in trusts	-	268,100	-	-	268,100
Property and equipment, net	<u>123,652</u>	<u>16,506,493</u>	<u>-</u>	<u>-</u>	<u>16,630,145</u>
TOTAL ASSETS	<u>\$ 1,924,698</u>	<u>\$ 22,855,469</u>	<u>\$ -</u>	<u>\$ (1,500,000)</u>	<u>\$ 23,280,167</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,611,848	3,358	\$ -	\$ (1,500,000)	\$ 115,206
Notes payable	-	1,430,220	-	-	1,430,220
TOTAL LIABILITIES	<u>1,611,848</u>	<u>1,433,578</u>	<u>-</u>	<u>(1,500,000)</u>	<u>1,545,426</u>
NET ASSETS					
Without donor restrictions:					
Undesignated	175,504	3,084,768	-	-	3,260,272
Equity in property and equipment	123,652	15,076,273	-	-	15,199,925
	<u>299,156</u>	<u>18,161,041</u>	<u>-</u>	<u>-</u>	<u>18,460,197</u>
With donor restrictions:					
Restricted by purpose or time	13,694	2,723,790	-	-	2,737,484
Restricted in perpetuity	-	537,060	-	-	537,060
	<u>312,850</u>	<u>21,421,891</u>	<u>-</u>	<u>-</u>	<u>21,734,741</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,924,698</u>	<u>\$ 22,855,469</u>	<u>\$ -</u>	<u>\$ (1,500,000)</u>	<u>\$ 23,280,167</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, 2021

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
ASSETS					
Cash and cash equivalents	\$ 1,521,435	\$ 1,871,835	\$ -	\$ -	\$ 3,393,270
Prepaid expenses and other assets	195,189	1,504,726	-	(1,496,171)	203,744
Investments held for long-term purposes	-	2,169,947	-	-	2,169,947
Beneficial interest in trusts	-	321,800	-	-	321,800
Property and equipment, net	<u>84,939</u>	<u>16,810,364</u>	<u>-</u>	<u>-</u>	<u>16,895,303</u>
TOTAL ASSETS	<u><u>\$ 1,801,563</u></u>	<u><u>\$ 22,678,672</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,496,171)</u></u>	<u><u>\$ 22,984,064</u></u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,559,733	1,500	\$ -	\$ (1,496,171)	\$ 65,062
Notes payable	-	1,465,746	-	-	1,465,746
TOTAL LIABILITIES	<u>1,559,733</u>	<u>1,467,246</u>	<u>-</u>	<u>(1,496,171)</u>	<u>1,530,808</u>
NET ASSETS					
Without donor restrictions:					
Undesignated	137,208	3,357,090	-	-	3,494,298
Equity in property and equipment	84,939	15,344,618	-	-	15,429,557
	<u>222,147</u>	<u>18,701,708</u>	<u>-</u>	<u>-</u>	<u>18,923,855</u>
With donor restrictions:					
Restricted by purpose or time	19,718	1,972,658	-	-	1,992,376
Restricted in perpetuity	-	537,060	-	-	537,060
	<u>241,865</u>	<u>21,211,426</u>	<u>-</u>	<u>-</u>	<u>21,453,291</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,801,598</u></u>	<u><u>\$ 22,678,672</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,496,171)</u></u>	<u><u>\$ 22,984,099</u></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, 2022

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:					
OPERATING SUPPORT AND REVENUE:					
Support:					
Contributions	\$ 2,021,802	\$ -	\$ -	\$ -	\$ 2,021,802
Noncash contributions	2,195,261	12,397	-	-	2,207,658
Revenue:					
Special events	668,814	-	-	-	668,814
Counseling	302,326	-	-	-	302,326
Rental Income	-	120,000	-	(120,000)	-
Interest income	9,009	15,931	-	-	24,940
Other income	320,618	(106,700)	-	-	213,918
Total Operating Support and Revenue	<u>5,517,830</u>	<u>41,628</u>	<u>-</u>	<u>(120,000)</u>	<u>5,439,458</u>
RECLASSIFICATIONS:					
Satisfaction of purpose/time restrictions	<u>11,024</u>	<u>110,275</u>	<u>-</u>	<u>-</u>	<u>121,299</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, 2022

(continued)

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
EXPENSES:					
Program services:					
Residential care services	1,408,557	252,188	-	(52,800)	1,607,945
Community services	514,109	27,547	-	(2,700)	538,956
Single parent ministries	1,824,696	309,182	-	(40,500)	2,093,378
Counseling services	722,064	57,061	-	(5,400)	773,725
	<u>4,469,426</u>	<u>645,978</u>	<u>-</u>	<u>(101,400)</u>	<u>5,014,004</u>
Supporting activities					
Management and general	529,929	36,676	-	(59,400)	507,205
Fundraising	423,160	9,917	-	(9,200)	423,877
Special events	79,329	-	-	-	79,329
Total Expenses	<u>5,501,844</u>	<u>692,571</u>	<u>-</u>	<u>(170,000)</u>	<u>6,024,415</u>
Change in Net Assets Without Donor Restrictions from Operations	<u>27,010</u>	<u>(540,668)</u>	<u>-</u>	<u>50,000</u>	<u>(463,658)</u>

(continued)

SHERIDAN HOUSE FAMILY MINISTRIES, INC & AFFILIATES

See independent auditors' report on supplementary information.

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**

(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	55,000	1,011,000	-	(50,000)	1,016,000
Noncash contributions	-	-	-	-	-
Total Support and Revenue	55,000	1,011,000	-	(50,000)	1,016,000
RECLASSIFICATIONS:					
Satisfaction of purpose restrictions	(11,024)	(110,275)	-	-	(121,299)
NONOPERATING ACTIVITIES:					
Income on investments held for long-term purposes	-	(95,893)	-	-	(95,893)
Change in value of beneficial interest in trusts	-	(53,700)	-	-	(53,700)
Change in Net Assets With Donor Restrictions from Nonoperating Activities	-	(149,593)	-	-	(149,593)
Change in Net Assets with Donor Restrictions	43,976	751,132	-	(50,000)	745,108
Change in Net Assets	70,986	210,464	-	-	281,450
Net Assets, Beginning of Year	241,864	21,211,427	-	-	21,453,291
Net Assets, End of Year	\$ 312,850	\$ 21,421,891	\$ -	\$ -	\$ 21,734,741

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, 2021

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:					
OPERATING SUPPORT AND REVENUE:					
Support:					
Contributions	\$ 1,926,636	\$ -	\$ -	\$ (207,500)	\$ 1,719,136
Noncash contributions	2,665,982	14,830	-	-	2,680,812
Revenue:					
Special events	666,230	-	-	-	666,230
Counseling	269,190	-	-	-	269,190
Rental Income	-	120,000	-	(120,000)	-
Interest income	12,626	18,271	-	-	30,897
Other income	586,867	84,974	-	-	671,841
Total Operating Support and Revenue	<u>6,127,531</u>	<u>238,075</u>	<u>-</u>	<u>(327,500)</u>	<u>6,038,106</u>
RECLASSIFICATIONS:					
Satisfaction of purpose/time restrictions	<u>7,269</u>	<u>1,772,613</u>	<u>-</u>	<u>-</u>	<u>1,779,882</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, 2021

(continued)

	Sheridan House Family Ministries	Sheridan House	54th Court LLC	Eliminations	Total
EXPENSES:					
Program services:					
Residential care services	1,510,029	251,263	-	(58,800)	1,702,492
Community services	620,723	26,041	-	(2,900)	643,864
Single parent ministries	1,892,878	240,566	-	(31,700)	2,101,744
Counseling services	707,300	53,941	-	(6,000)	755,241
	<u>4,730,930</u>	<u>571,811</u>	<u>-</u>	<u>(99,400)</u>	<u>5,203,341</u>
Supporting activities					
Management and general	651,677	34,671	-	(217,900)	468,448
Fundraising	483,164	13,095	-	(10,200)	486,059
Special events	81,628	-	-	-	81,628
Total Expenses	<u>5,947,399</u>	<u>619,577</u>	<u>-</u>	<u>(327,500)</u>	<u>6,239,476</u>
Change in Net Assets Without Donor Restrictions from Operations	<u>187,401</u>	<u>1,391,111</u>	<u>-</u>	<u>-</u>	<u>1,578,512</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, 2021

(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	-	1,190,500	-	-	1,190,500
Noncash contributions	-	200,803	-	-	200,803
Total Support and Revenue	-	1,391,303	-	-	1,391,303
RECLASSIFICATIONS:					
Satisfaction of purpose restrictions	(7,269)	(1,772,613)	-	-	(1,779,882)
NONOPERATING ACTIVITIES:					
Income on investments held for long-term purposes	-	148,269	-	-	148,269
Change in value of beneficial interest in trusts	-	20,800	-	-	20,800
Change in Net Assets With Donor Restrictions from Nonoperating Activities	-	169,069	-	-	169,069
Change in Net Assets with Donor Restrictions	(7,269)	(212,241)	-	-	(219,510)
Change in Net Assets	180,132	1,178,870	-	-	1,359,002
Net Assets, Beginning of Year	61,732	20,032,557	-	-	20,094,289
Net Assets, End of Year	\$ 241,864	\$ 21,211,427	\$ -	\$ -	\$ 21,453,291

See independent auditors' report on supplementary information.