

FAMILY RESOURCE CENTER OF
SOUTH FLORIDA, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR THE
YEAR ENDED JUNE 30, 2008

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CALLAGHAN GLASSMAN & MARGOLIS, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors
Family Resource Center of South
Florida, Inc. and Subsidiary
155 South Miami Avenue - Suite 400
Miami, Florida 33130

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying Consolidated Statements of Financial Position of Family Resource Center of South Florida, Inc. and Subsidiary, as of June 30, 2009 and 2008 and the related Statements of Activities; Functional Expenses; and Cash Flows for the years then ended. These Financial Statements are the responsibility of the Organization's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the Financial Statements referred to above present fairly, in all material respects, the financial position of Family Resource Center of South Florida, Inc. and Subsidiary as of June 30, 2009 and the changes in its net assets and cash flows for the years then ended, in conformity with generally accepted accounting principles in the United States of America.

To the Board of Directors
Family Resource Center of South Florida, Inc. and Subsidiary

In accordance with Government Auditing Standards, we have also issued a report dated November 15, 2009, on our consideration of Family Resource Center of South Florida, Inc. and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.


Callaghan Blaszczak & Myers
Certified Public Accountants

November 15, 2009

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

ASSETS	<u>2009</u>	<u>2008</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents (NOTE 1)	\$ 218,528	\$ 8,665
Grants, Contracts and Other Receivables	352,418	602,668
Short-Term Investments	1,131,058	815,473
Prepaid Expenses	<u>41,420</u>	<u>38,949</u>
 TOTAL CURRENT ASSETS	 1,743,424	 1,465,755
<u>FIXED ASSETS (NOTE 1)</u>		
Land	111,600	111,600
Buildings and Improvements	656,497	580,869
Furniture, Fixtures and Equipment	722,485	699,126
Transportation Equipment	<u>170,421</u>	<u>107,251</u>
	1,661,003	1,498,846
Less: Accumulated Depreciation	<u>706,679</u>	<u>543,204</u>
 FIXED ASSETS, NET	 954,324	 955,642
<u>OTHER ASSETS</u>		
Security Deposits	<u>35,936</u>	<u>35,936</u>
 TOTAL OTHER ASSETS	 <u>35,936</u>	 <u>35,936</u>
 TOTAL ASSETS	 <u>\$ 2,733,684</u>	 <u>\$ 2,457,333</u>

Please Read the Accompanying Independent Auditors' Report and
Notes to the Financial Statements

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

LIABILITIES AND NET ASSETS	<u>2009</u>	<u>2008</u>
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Expenses	\$ 174,232	\$ 168,555
Accrued Payroll	425,528	357,148
Deferred Revenue	2,197	3,719
Custodial Accounts	10,064	9,424
Payroll Taxes Payable and Withheld	<u>101,044</u>	<u>52,230</u>
 TOTAL CURRENT LIABILITIES	 713,065	 591,076
 TOTAL LIABILITIES	 713,065	 591,076
 <u>COMMITMENTS AND CONTINGENCIES</u> (NOTE 4)		
 <u>NET ASSETS - UNRESTRICTED</u>	 <u>2,020,619</u>	 <u>1,866,257</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,733,684</u>	 <u>\$ 2,457,333</u>

Please Read the Accompanying Independent Auditors' Report and
Notes to the Financial Statements

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CHANGES IN NET ASSETS - UNRESTRICTED		
<u>PUBLIC SUPPORT AND REVENUES</u>		
PROGRAM SERVICE FEES:		
Government Grants	\$ 7,910,562	\$ 7,043,695
Foundation and Private Grants	47,662	126,981
United Way Allocations	286,510	361,486
Special Events	33,953	30,976
Individual and Corporate Contributions	171,323	49,802
Other Contracts and Fees	269,924	483,501
TOTAL PROGRAM SERVICE FEES	8,719,934	8,096,441
OTHER REVENUES:		
Interest Income	7,905	45,159
Other Income	1,462	23,783
TOTAL OTHER REVENUES	9,367	68,942
TOTAL PUBLIC SUPPORT AND REVENUE - UNRESTRICTED	8,729,301	8,165,383
<u>EXPENSES</u>		
PROGRAM SERVICE EXPENSES:		
Family Services	603,823	923,230
Full Case Management	6,180,731	5,236,593
Mental Health Services	387,842	535,798
Homeless Program	100,825	165,906
TOTAL PROGRAM SERVICE EXPENSES	7,273,221	6,861,527
SUPPORTING SERVICES:		
General and Administrative	851,076	926,010
Fund-Raising	262,709	219,309
Depreciation	163,476	151,440
TOTAL SUPPORTING SERVICES	1,277,261	1,296,759
UNALLOWABLE COSTS	24,457	14,544
TOTAL EXPENSES	8,574,939	8,172,830
INCREASE (DECREASE) IN NET ASSETS BEFORE		
LOSS ON DISPOSAL OF PROPERTY - UNRESTRICTED	154,362	(7,447)
LOSS ON DISPOSAL OF PROPERTY (NOTE 3)	-	(344,919)
NET ASSETS - UNRESTRICTED		
BEGINNING OF YEAR	1,866,257	2,218,623
END OF YEAR	\$ 2,020,619	\$ 1,866,257

Please Read the Accompanying Independent Auditors' Report and
Notes to the Financial Statements

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (Decrease) in Net Assets	\$ 154,362	\$ (7,447)
Adjustments to Reconciliation Change in Net Asset to Cash Provided (Used) By Operating Activities:		
Depreciation and Amortization	163,476	151,440
(Increase) Decrease in Assets:		
Grant Contracts and Other		
Receivables	250,250	(249,813)
Prepaid Expenses	(2,471)	28,354
Increase (Decrease) in Liabilities:		
Accounts Payable	5,677	(132,105)
Accrued Payroll	68,380	128,439
Custodial Accounts	639	9,424
Payroll Taxes Payable and Withheld	48,814	6,195
Deferred Revenue	(1,522)	(17,281)
	687,605	(82,794)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
	687,605	(82,794)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investments Made	(8,858,271)	(10,476,917)
Withdrawals from Investments	8,542,686	10,748,032
Purchase of Fixed Assets	(162,157)	(366,723)
	(477,742)	(95,608)
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
	(477,742)	(95,608)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	209,863	(178,402)
CASH AND CASH EQUIVALENTS - BEGINNING YEAR	8,665	187,067
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 218,528	\$ 8,665
INTEREST EXPENSE	\$ -	\$ 10

Please Read the Accompanying Independent Auditors' Report and
Notes to the Financial Statements

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009 AND 2008

	FAMILY SERVICES	FULL CASE MANAGEMENT	MENTAL HEALTH SERVICES	HOMELESS PROGRAMS	TOTAL PROGRAMS	FUND RAISING	GENERAL AND ADMINISTRATIVE	UNALLOWABLE COST	TOTAL EXPENSES	2008
PERSONNEL EXPENSES	\$ 373,028	\$ 2,089,481	\$ 220,830	\$ 40,825	\$ 3,520,872	\$ 117,107	\$ 559,058	\$ -	\$ 4,187,835	\$ 3,682,235
SALARIES	110,738	630,207	41,231	11,768	813,843	22,833	120,122	-	958,988	845,967
BENEFITS AND TAXES	483,787	3,519,688	270,088	81,291	4,334,815	139,940	679,178	-	5,153,933	4,728,222
TOTAL PERSONNEL EXPENSES										
OPERATING EXPENSES	14,437	88,966	3,518	3,688	90,535	1,822	8,780	-	101,117	109,565
INSURANCE	-	9,284	1,512	1,824	12,330	48,955	16,550	-	77,635	94,050
PROFESSIONAL AND CONTRACTUAL FEES	-	1,545,852	48,186	-	1,593,018	-	-	-	1,592,018	1,442,680
PURCHASE SERVICES	5,464	137,482	623	1,804	145,183	-	-	18,937	164,820	146,792
PROGRAM SUPPLIES	-	-	625	-	625	15,003	-	-	15,628	9,866
ADVERTISING	18,589	118,157	10,100	1,318	148,214	6,118	16,323	-	185,855	165,005
TELEPHONE	43,028	235,799	20,048	17,882	317,958	8,507	33,403	-	359,878	375,923
OCCUPANCY	18,627	217,874	3,068	1,162	241,832	4,862	17,100	-	263,024	287,733
TRAVEL	9,220	53,377	7,455	10,778	86,630	2,852	24,007	-	111,469	110,154
EQUIPMENT RENTAL AND MAINTENANCE	9,010	117,807	21,310	952	148,100	11,063	32,324	-	191,486	184,173
OFFICE SUPPLIES, POSTAGE, PRINTING	-	113,986	-	-	113,986	-	12,022	-	126,008	89,750
TRANSPORTATION	-	6,084	1,072	24	7,360	212	889	-	8,465	7,100
CONFERENCE TRAINING	405	1,515	268	794	2,570	5,087	2,774	-	11,231	16,626
DUES AND SUBSCRIPTIONS	2,460	14,168	-	-	16,628	15,775	-	-	32,404	35,703
EVENTS AND ACTIVITIES	-	370	-	-	370	-	12	-	382	34,283
LICENSES AND TAXES	-	14,788	1,077	-	15,865	1,913	9,704	4,820	32,059	82,984
OTHER EXPENSES	45	-	-	308	353	-	-	-	-	-
TOTAL OPERATING EXPENSES	120,057	2,651,041	117,773	38,534	2,938,408	122,789	171,888	24,457	3,257,520	3,251,158
TOTAL EXPENSES BEFORE INTEREST DEPRECIATION AND AMORTIZATION	603,824	6,100,729	387,842	100,825	7,273,221	267,709	651,076	24,457	8,411,463	8,021,260
INTEREST DEPRECIATION AND AMORTIZATION	6,922	81,894	3,104	8,033	98,153	4,835	58,388	-	163,476	151,440
TOTAL EXPENSES	\$ 610,746	\$ 6,261,823	\$ 390,946	\$ 108,858	\$ 7,372,374	\$ 207,844	\$ 810,464	\$ 24,457	\$ 8,574,939	\$ 8,172,630

PLEASE READ THE ACCOMPANYING INDEPENDENT AUDITORS' REPORT AND NOTES TO THE FINANCIAL STATEMENTS

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

Nature of the Organization

The Family Resource Center of South Florida, Inc. ("The Center") was established and incorporated on February 1, 1978 under the laws of the State of Florida as a not-for-profit. The Subsidiary Corporation, FRC Homestead Housing, L.L.C. was established in 2003 to better protect and fund the Shepherd House Program facility. The corporate mission for Family Resource Center, Inc. is: "The Protection and Treatment of Child Abuse and Neglect through the Strengthening of Families". Family Resource Center, Inc. is a Child Welfare Agency and Community Mental Health Center. The Center's goal is to prevent and change dysfunctional parent-child interaction patterns, promote positive self-concepts, and build healthy family relationships through full case management, family support, crisis intervention, family preservation, parent education and mental health counseling.

Funding is primarily through Our Kids of Miami-Dade/Monroe, Inc., United Way of Miami-Dade, South Florida Provider Coalition, Inc., Miami-Dade County Department of Grants, Miami-Dade County Homeless Trust, client fees and other sources.

Financial Statement Presentation

The Center has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made" and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations". SFAS No. 116 requires the recognition of unconditional promises. SFAS No. 117 establishes external financial reporting for not-for-profit organizations, which includes three basic financial statements and the classification of resources into three separate classes of net assets.

Unrestricted

Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

NOTE 1 - NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

Temporarily Restricted

Net assets whose use by the Center is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled or removed by actions of the Center pursuant to those stipulations. At June 30, 2009, there were no temporarily restricted net assets.

Permanently Restricted

Net assets whose use by the Center is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Center. At June 30, 2009, there were no permanently restricted net assets.

Principles of Consolidation

The consolidated financial statements include the accounts of the Center and its 100% wholly owned subsidiary, FRC Homestead Housing, LLC. All significant inter-company accounts and transactions have been eliminated.

Contributions

Donor restricted contributions whose restrictions are met in the same reporting period, are reported as unrestricted within the unrestricted fund.

Grants from Government Agencies

Grants from governmental agencies are recognized as revenue when the grant funds have been expended in accordance with the grant provisions.

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

NOTE 1 - NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Family Resource Center of South Florida, Inc. and Subsidiary received a determination from the Internal Revenue Service indicating that it is exempt under Internal Revenue Code Section 501(c)(3). It is classified as an organization that is not a private foundation under Internal Revenue Code Section 509(a); accordingly, no provision for income taxes has been recorded in the accompanying financial statements. For the year ended June 30, 2009, the Organization had no unrelated business income.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures contained in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash held in checking accounts and is considered highly liquid. At various times during the fiscal year, the Organization's cash balance exceeded the Federally insured limits. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value of Financial Instruments

The carrying amounts of financial instruments, which consist of cash and cash equivalents, grants, contracts and other receivables, accounts payable and accrued expenses and accrued payroll approximated their fair value as of June 30, 2009 and 2008.

Grant, Contracts and Other Receivables

Grant, Contracts and Other Receivables consist primarily of amounts due from grantor agencies under the Organization's grant agreements. Grant, Contracts and Other Receivables are stated at net realizable value. Management made an analysis of its receivables and determined that an allowance for doubtful accounts was not necessary as of June 30, 2009.

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

NOTE 1 - NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

Short-Term Investments

Short-Term investments, which are carried at fair value, consisted of money market accounts in the amounts of \$1,131,058 and \$815,473 as of June 30, 2009 and 2008, respectively. Earnings on investments were \$7,909 and \$45,159 for the years ended June 30, 2009 and 2008, respectively.

Short-term investment were measured at fair value on a recurring basis during the year ended June 30, 2009 using quoted market prices (Level 1), significant observable inputs (Level 2), and significant unobservable inputs (Level 3). As of June 30, 2009, short-term investments consisted of money market funds (Level 1: Quoted Market Prices) in the amount \$1,131,058.

Fixed Assets

Fixed Assets valued in excess of \$500 are capitalized. Fixed Assets are valued at cost when purchased or estimated fair value at date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements and capitalized leased assets are amortized on the straight-line method over the term of their respective leases or their useful life, whichever is shorter. Depreciation and amortization expense for the year ended June 30, 2009 amounted to, \$163,476.

The estimated useful life range of each assets group is:

	<u>Years</u>
Building	15-40
Leasehold Improvement	5-20
Furniture and Fixtures	3-20
Automobiles	3-5

Contributed Goods and Services

Contributed Goods and Services are reflected in the financial statements at their estimated fair value, if reasonably determined. The contributions of services are recognized if the services received (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individual possessing those skills and would typically need to be purchased if not provided by donations. There were no material non-cash contributions.

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

NOTE 1 - NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

Program Service Fees

Program Service Fees represent user charges for services offered by the Organization. Program Service Fees generally are recognized as revenue when received. This treatment is applied because collectibility of outstanding amounts is not reasonably assured.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been detailed in the statement of functional expenses and are summarized on a functional basis in the statement of activities. Salaries and other expenses, which are associated with a specific program, are charged directly to that program. Salaries and other expenses, which benefit more than one program, are allocated to the various programs based on the relative benefit provided.

NOTE 2 - PENSION PLAN

The Organization sponsors a defined contribution retirement plan covering substantially all of its full-time employees. Contributions to the plan are calculated at 5% of an eligible employee's gross pay. Employees become eligible for active plan participation after completing one year of service. All contributions made on behalf of an employee become fully vested upon the completion of three years of eligibility. For the year ended June 30, 2009 pension costs amounted to \$139,373. The Organization's policy is to fund pension cost accrued.

NOTE 3 - LOSS ON DISPOSAL OF PROPERTY

The Management and the Board of the Organization decided to close the Adler Day Care facility located on City of Homestead property. The decision was made because:

- (1) It was determined that the size of the facility was insufficient to generate adequate income.
- (2) Changes to the funding made it not financially feasible to run a solvent day care operation.
- (3) The City of Homestead would not allow any other program to be operated from this building thus restricting significantly the sources and amounts of funding.

Operations were ceased as of December 31, 2007 and the building was turned over to the City of Homestead per the lease agreement on February 24, 2008. The net book value of the building and improvements was \$344,919.

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The Organization leases office space under an operating lease, which expires November 30, 2010. Total rent expense for the year ended June 30, 2009 was \$329,021. The Organization moved from the fifth floor to the fourth floor. This was being done to increase their office space to accommodate more clients in their Full Case Management program. The Organization also has several non-cancelable operating leases for office equipment, which expire at various dates. Future minimum lease payments required are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 321,964
2011	180,861
2012	76,116
2013	75,374
2014	61,611
Thereafter	<u>-0-</u>
 TOTAL	 <u>\$ 715,926</u>

The Organization's Adler Facility was constructed on land leased to the organization by the City of Homestead, Florida. The lease commenced in 1994 with a twenty-five year term. The site is leased for \$1 per year and the City of Homestead has a reversionary interest on all permanent improvements located on the property should the Organization cease to use the facility to provide child care services for socially challenged children. The facility was surrendered back to the city of Homestead on February 24, 2008 (Note 3).

NOTE 5 - SUBSEQUENT EVENTS

The Center is in the process of turning over their remaining Homeless Program to another agency through the Miami-Dade Homeless Trust. This transfer is expected to be completed during the third quarter of the fiscal year ended June 30, 2010. This program includes real property which must be transferred to the other agency for which the Center will receive no compensation. The estimated book value of this property at the time of transfer is \$233,000 which will be recorded as a loss from disposal of assets for the fiscal year ended June 30, 2010.

NOTE 6 - CONCERNTRATIONS

The Center received approximately 88% of its government grants from Our Kids of Miami-Dade/Monroe, Inc. ("Our Kids") for the year ended June 30, 2009. Receivables from Our Kids were approximately 57% of grants, contracts and other receivables as of June 30, 2009.

CALLAGHAN GLASSMAN & MARGOLIS, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTAL INFORMATION

To the Board of Directors of
Family Resource Center of South Florida, Inc. and Subsidiary
155 South Miami Avenue - Suite 400
Miami, Florida 33130

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included on pages 15 to 39 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Government, and Non-Profit Organizations", Chapter 10.650, the Rules of the Auditor General, and the State of Florida Department of Children and Families and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.


Certified Public Accountants

November 25, 2009

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS	FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC.	FHC HOMESTEAD HOUSING, L.L.C.	ELIMINATIONS	CONSOLIDATED TOTALS
<u>CURRENT ASSETS</u>				
Cash and Cash Equivalents (NOTE 1)	\$ 218,526	\$ -	\$ -	\$ 218,528
GRANTS, CONTRACTS and Other Receivables	352,418	-	-	352,418
Short-Term Investments	1,131,058	-	-	1,131,058
Prepaid Expenses	41,420	-	-	41,420
TOTAL CURRENT ASSETS	1,743,424	-	-	1,743,424
<u>FIXED ASSETS (NOTE 1)</u>				
Land	61,600	50,000	-	111,600
Buildings and Improvements	430,484	226,013	-	656,497
Furniture, Fixtures and Equipment	722,485	-	-	722,485
Transportation Equipment	170,421	-	-	170,421
Less: Accumulated Depreciation	(1,304,990)	(276,013)	-	(1,581,003)
	668,457	38,222	-	706,679
NET BOOK VALUE	716,533	237,791	-	954,324
<u>OTHER ASSETS</u>				
Security Deposits	35,936	-	-	35,936
TOTAL OTHER ASSETS	35,936	-	-	35,936
TOTAL ASSETS	\$ 2,495,893	\$ 237,791	\$ -	\$ 2,733,684

Please Read the Accompanying Independent Auditors' Report and
Notes to the Financial Statements

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

LIABILITIES AND NET ASSETS	FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC.	FRC HOMESTEAD HOUSTING, L.L.C.	ELIMINATIONS	CONSOLIDATED TOTALS
<u>CURRENT LIABILITIES</u>				
Accounts Payable and Accrued Expenses	\$ 174,232	-	-	174,232
Accrued Payroll	425,528	-	-	425,528
Deferred Revenue	2,197	-	-	2,197
Custodial Accounts	10,064	-	-	10,064
Payroll Taxes Payable and Withheld	101,044	-	-	101,044
TOTAL CURRENT LIABILITIES	713,065	-	-	713,065
TOTAL LIABILITIES	713,065	-	-	713,065
<u>COMMITMENTS AND CONTINGENCIES</u>				
<u>NET ASSETS</u>				
Unrestricted	1,782,828	237,791	-	2,020,619
TOTAL NET ASSETS	1,782,828	237,791	-	2,020,619
TOTAL LIABILITIES AND NET ASSETS	\$ 2,495,893	\$ 237,791	-	\$ 2,733,684

Please Read the Accompanying Independent Auditors' Report and
Notes to the Financial Statements

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

CHANGES IN NET ASSETS - UNRESTRICTED	FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC.	FRC HOMESTEAD HOUSING, L.L.C.	ELIMINATIONS	CONSOLIDATED TOTALS
PUBLIC SUPPORT AND REVENUES				
PROGRAM SERVICE FEES:				
Government Grants	\$ 7,910,562	\$ -	\$ -	\$ 7,910,562
Foundation and Private Grants	47,662	-	-	47,662
United Way Allocations	286,510	-	-	286,510
Special Events	33,953	-	-	33,953
Individual and Corporate Contributions	171,323	-	-	171,323
Other Contracts and Fees	269,924	-	-	269,924
Net Assets Released from Restrictions	-	-	-	-
TOTAL PROGRAM SERVICE FEES	8,719,914	-	-	8,719,914
OTHER REVENUES:				
Interest Income	7,905	-	-	7,905
Other Income	1,462	-	-	1,462
TOTAL OTHER REVENUES	9,367	-	-	9,367
TOTAL PUBLIC SUPPORT AND REVENUE - UNRESTRICTED	8,729,301	-	-	8,729,301
EXPENSES				
PROGRAM SERVICE EXPENSES:				
Family Services	603,823	-	-	603,823
Full Case Management	5,180,731	-	-	5,180,731
Homeless Program	387,842	-	-	387,842
Mental Health Services	100,825	-	-	100,825
TOTAL PROGRAM SERVICE EXPENSES	7,273,221	-	-	7,273,221
SUPPORTING SERVICES:				
General and Administrative	851,076	-	-	851,076
Fund-Raising	252,709	-	-	252,709
Depreciation	155,498	7,978	-	163,476
TOTAL SUPPORTING SERVICES	1,259,383	7,978	-	1,277,361
UNALLOWABLE COSTS	24,457	-	-	24,457
TOTAL EXPENSES	8,556,961	7,978	-	8,574,939
INCREASE IN NET ASSETS - UNRESTRICTED	162,340	(7,978)	-	154,362
NET ASSETS - UNRESTRICTED				
BEGINNING OF YEAR	1,621,660	244,509	-	1,866,257
END OF YEAR	\$ 1,784,000	\$ 236,611	\$ -	\$ 2,020,619

Please Read the Accompanying Independent Auditors' Report and
Notes to the Financial Statements

FAMILY RESOURCE CENTER OF SOUTH FLORIDA INC. AND SUBSIDIARY

Schedule of State Earnings for
Fiscal Year 06/30/2009

1	Total Expenditures	\$	8,574,939
2	Less Other State and Federal Funds	\$	(7,967,001)
3	Less Non-Match SAMH Funds	\$	(113,538)
4	Less Unallowable Costs per 65E-14, F.A.C.	\$	(18,733)
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	\$	475,667
6	Maximum Available Earnings (Line 5 times 75%)	\$	356,750
7	Amount of State Funds Requiring Match	\$	3,915
8	Amount Due to Department (Subtract line 7 from line 6)	\$	352,835

AUDIT SCHEDULE
SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

AGENCY: FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INVOICED PERIOD: 1/1/2019 TO 12/31/2019

BUDGET PERIOD: FROM 000000 TO 000000

PARTIAL ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCE & REVENUES	STATE-DESIGNATED SAMH COST CENTERS									
	Program 1					Program 2				
	Assessment	Outpatient - Individual	Outpatient	Outpatient - Group	Total for State SAMH-Provided Cost Centers (C1-C5)	Total for Non-State-Provided SAMH Cost Centers	Total for All State-Designated SAMH Cost Centers (F)	Non-SAMH Cost Center	Total Funding (F+G)	
A	B1a	B1b	B1c	B1d	D	E	F	G	H	
STATE-SAMH FUNDING	10,200	76,000	2,405	28,200	117,405	117,405	117,405	117,405	117,405	
(1) From the Budget (using the method)	1	1	1	1	1	1	1	1	1	
(2)	1	1	1	1	1	1	1	1	1	
(3)	1	1	1	1	1	1	1	1	1	
(4)	1	1	1	1	1	1	1	1	1	
(5)	1	1	1	1	1	1	1	1	1	
(6) From Other Sources	1	1	1	1	1	1	1	1	1	
TOTAL STATE-SAMH FUNDING	10,200	76,000	2,405	28,200	117,405	117,405	117,405	117,405	117,405	
B										
NON-SAMH COST CENTERS										
(1) Other State Agency Funds										
(2) Medicaid										
(3) Local Government										
(4) Federal Grants and Contracts										
(5) In-State Non-SAMH (not only)										
TOTAL OTHER COST CENTERS										
C										
ALL OTHER REVENUES										
(1) Net Funded Party Payments										
(2) Net Party Payments (except Medicare)										
(3) Medicare										
(4) Donations and Bequests										
(5) Other										
(6) Net Fund										
TOTAL OTHER REVENUES										
TOTAL FUNDING	10,200	76,000	2,405	28,200	117,405	117,405	214,700	4,483,001	4,697,701	

AUDIT SCHEDULE
SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

AGENCY: FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INDATE PREPARED: 7.1.2018

BUDGET PERIOD: FROM 01/01/18 TO 06/30/18

CD/PART#: 1002011

PART II ACTUAL EXPENSES

EXPENSE CATEGORIES	STATES-DESIGNATED UNK COST CENTERS										Total for All State-Designated SAMH Cost Centers (D+E)	Non-SAMH Cost Center	Other-Support Costs (F+G+H)	Administration	Total Expenses (I+J+K+L)	
	Program 1		Program 2		Program 3		Program 4		Program 5							Total for State-Funded SAMH Cost Centers (C+D+E)
	(cc name)	(cc name)	(cc name)	(cc name)	(cc name)	(cc name)	(cc name)	(cc name)	(cc name)							
PERSONNEL EXPENSES																
(1) Salaries	1,025	705	2,220	100,000	100,000	119,971	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
(2) Fringe Benefits	1,650	720	405	4,772	10,100	20,722	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL PERSONNEL EXPENSES =	2,675	1,425	2,625	104,772	110,100	140,693	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000
OTHER PERSONNEL EXPENSES																
(1) Building Occupancy	200	200	200	2,200	2,200	10,200	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
(2) Professional Services	400	400	400	1,600	1,600	7,200	700	700	700	700	700	700	700	700	700	700
(3) Travel	100	100	100	400	400	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
(4) Equipment	200	200	200	800	800	3,200	300	300	300	300	300	300	300	300	300	300
(5) Food Services	200	200	200	800	800	3,200	300	300	300	300	300	300	300	300	300	300
(6) Medical and Pharmacy	1,400	1,400	1,400	5,600	5,600	22,400	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
(7) Informational Services	100	100	100	400	400	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
(8) Insurance	100	100	100	400	400	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
(9) Interest Paid	100	100	100	400	400	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
(10) Depreciation Supplies & Expenses	200	200	200	800	800	3,200	300	300	300	300	300	300	300	300	300	300
(11) Other	100	100	100	400	400	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
(12) Donated Items	100	100	100	400	400	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
TOTAL OTHER EXPENSES =	2,000	2,000	2,000	8,000	8,000	32,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
TOTAL PERSONNEL & OTHER EXP.	4,675	3,425	4,625	112,772	118,100	172,693	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
OTHER DISTRIBUTION (DIRECT COSTS)																
(1) Other Support Costs (F+G+H)	1,000	1,000	1,000	4,000	4,000	16,000	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
(2) Administration	1,000	1,000	1,000	4,000	4,000	16,000	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
TOTAL DISTRIBUTION COSTS =	2,000	2,000	2,000	8,000	8,000	32,000	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
TOTAL ACTUAL COSTS INCURRED =	6,675	5,425	6,625	120,772	126,100	204,693	47,200	47,200	47,200	47,200	47,200	47,200	47,200	47,200	47,200	47,200
UNALLOWABLE COSTS																
(1) Unallowable Other Exp.	1,000	1,000	1,000	4,000	4,000	16,000	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
TOTAL UNALLOWABLE COSTS =	1,000	1,000	1,000	4,000	4,000	16,000	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
TOTAL ACTUAL COSTS =	7,675	6,425	7,625	124,772	130,100	220,693	48,800	48,800	48,800	48,800	48,800	48,800	48,800	48,800	48,800	48,800
NET CAPITAL EXPENDITURES																

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
NOTES TO THE SCHEDULE OF STATE EARNINGS AND COST
CENTER ACTUAL EXPENSES AND REVENUE SCHEDULE
YEAR ENDED JUNE 30, 2009

General

The Schedule of State Earnings and Cost Center Actual Expenses and Revenues were prepared in accordance with the requirements in the State of Florida Department of Children and Families Contract KD228 11.

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY

SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2009

	Related Party	Allocation of Related Party Transactions Adjustment State-Designated Cost Centers				Total
		1	2	3	
Revenues From Grantee						
Rent		0				0
Services		0				0
Interest		0				0
Other		0				0
Total Revenue From Grantee		0				0
						N/A
Expenses Associated with Grantee Transactions						
Personnel Services		0				0
Depreciation		0				0
Interest		0				0
Other		0				0
Total Associated Expenses		0				0
Related Party Transaction Adjustment		0	0	0	0	0

CALLAGHAN GLASSMAN & MARGOLIS, L.L.C.

-- CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE

The Board of Directors
Family Resource Center of South Florida, Inc. and Subsidiary
155 South Miami Avenue - Suite 400
Miami, Florida 33130

We have audited the Schedule of Expenditures of Federal Awards and State Financial Assistance of the Family Resource Center of South Florida, Inc. and Subsidiary for the year ended June 30, 2009. The Schedule of Expenditures of Federal Awards and State Financial Assistance is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Schedule of Expenditures of Federal Awards and State Financial Assistance based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and Chapter 10.650, Rules of the Auditor General, which require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on the state project occurred. An audit includes examining, on a test basis, evidence about Family Resource Center of South Florida, Inc. and Subsidiary's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Family Resource Center of South Florida, Inc. and Subsidiary's compliance with those requirements.

To the Board of Directors
Family Resource Center of South Florida, Inc. and Subsidiary

In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance referred to above presents fairly, in all material respects, the financial position of Family Resource Center of South Florida, Inc. and Subsidiary for the year ended June 30, 2009 in conformity with United States of America generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 15, 2009 on our consideration of Family Resource Center of South Florida, Inc. and Subsidiary's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.


Certified Public Accountants

November 15, 2009

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2009

Federal/State Agency, Pass-through Entity	CFDA CSTA No.	Contract Grant No.	Expenditures (in thousands)	Transfers to Subrecipients (in thousands)
FEDERAL AWARDS PROGRAMS:				
U.S. Department of Health and Human Services				
Indirect Programs				
Passed Through:				
Temporary Assistance for Needy Families	93.550	KD-228	S	117,453
U.S. Department of Housing and Urban Development				
Indirect Programs				
Passed through Miami-Dade County Homeless Trust	14.335	N/A		73,217
U.S. Department of Health and Human Services				
Pass-Through:				
Our Kids of Miami-Dade/Monroe, Inc.				
Temporary Assistance for Needy Families Block Grant	93.550			686,159
Child Welfare Services State Grants	93.645			162,859
Foster Care - Title IV-E	93.658			1,018,285
Adoption Assistance	93.659			120,545
Social Services Block Grant	93.667			535,500
Independent Living	93.674			68,813
Promoting Safe and Stable Families	93.556			25,903
State Matching Funds for Federal Programs				
Child Welfare Services State Grants	93.645			54,286
Adoption Assistance	93.659			418,840
Independent Living	93.674			17,203
Block Grants for Community Mental Health Services	93.958			38,724
Family Preservation and Support Services	93.556			0,634
TOTAL FEDERAL AWARDS PROGRAMS				<u><u>54,159,421</u></u>
STATE FINANCIAL ASSISTANCE PROJECTS:				
Our Kids of Miami-Dade/Monroe, Inc.				
Community Based Care Support	60.094			<u>53,337,006</u>
TOTAL STATE FINANCIAL ASSISTANCE PROJECTS				<u><u>53,337,006</u></u>

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2009

1. General

The accompanying schedule of expenditures of federal awards and state financial assistance presents the activity of all federal awards and state financial assistance programs of Family Resource Center of South Florida, Inc. and Subsidiary (the "Center") for the year ended June 30, 2009. The Center's reporting entity is described in Note 1 to the Center's financial statements. Federal awards and state financial assistance expended from federal and state agencies, and federal awards and state financial assistance passed through other government agencies, are included on the schedule.

2. Basis of Accounting

The accompanying schedule of expenditures of federal awards and state financial assistance is presented using the accrual basis of accounting, which is described in Note 1 to the Center's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.650 Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

CALLAGHAN GLASSMAN & MARGOLIS, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors
Family Resource Center of South Florida, Inc. and Subsidiary
155 South Miami Avenue - Suite 400
Miami, Florida 33130

We have audited the consolidated financial statements of Family Resource Center of South Florida, Inc. and Subsidiary, as of and for the year ended June 30, 2009, and have issued our report thereon dated November 5, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Family Resource Center of South Florida, Inc. and Subsidiary's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Family Resource Center of South Florida, Inc. and Subsidiary's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Family Resource Center of South Florida, Inc. and Subsidiary's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

To the Board of Directors of
Family Resource Center of South Florida, Inc. and Subsidiary

Internal Controls over Financial Reporting (continued)

A material weakness is a significant deficiency or combinations of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended for the information and use of the board of directors, management and state and local awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

November 15, 2009


Certified Public Accountants

CALLAGHAN GLASSMAN & MARGOLIS, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON THE INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Family Resource Center of South Florida, Inc. and Subsidiary
155 South Miami Avenue - Suite 400
Miami, Florida 33130

Compliance

We have audited the compliance of Family Resource Center of South Florida, Inc. and Subsidiary with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Family Resource Center of South Florida, Inc. and Subsidiary's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of Family Resource Center of South Florida, Inc. and Subsidiary's management. Our responsibility is to express an opinion on Family Resource Center of South Florida, Inc. and Subsidiary's compliance based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and a state project occurred. An audit includes examining, on a test basis, evidence about Family Resource Center of South Florida, Inc. and Subsidiary's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Family Resource Center of South Florida, Inc. and Subsidiary's compliance with those requirements.

To the Board of Directors of
Family Resource Center of South Florida, Inc. and Subsidiary

In our opinion, Family Resource Center of South Florida, Inc. and Subsidiary complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Family Resource Center of South Florida, Inc. and Subsidiary is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state projects in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weaknesses, as defined above.

To the Board of Directors of
Family Resource Center of South Florida, Inc. and Subsidiary

This report is intended solely for the information and use of the Family Resource Center of South Florida, Inc. and Subsidiary's board of directors, management and federal, state and local awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Calvin D. Glessner & Co.
Certified Public Accountants

November 25, 2009

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
 SCHEDULE OF FINDINGS AND RESPONSES
 FEDERAL PROGRAMS AND STATE PROJECTS
 YEAR ENDED JUNE 30, 2009

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements Unqualified

Internal control over financial reporting:
 Material weakness(es) identified? yes no
 Reportable condition(s) identified not
 Considered to be material weaknesses yes none reported

Noncompliance material to financial
 statements noted yes no

Federal Awards & State Financial Assistance

Internal control over major federal programs
 and/or state project:
 Material weakness(es) identified? yes no
 Reportable condition(s) identified
 not considered to be material weaknesses(es) yes none reported

Type of auditor's report issued on compliance for
 major federal programs and/or state projects: Unqualified

Any audit findings disclosed that are
 required to be reported in accordance with
 Circular A-133, Section 510 (a) and/or 10.656 yes no

Identification of major federal programs
 And state projects:

<u>Name of Federal Program of Cluster</u>	<u>CFDA Number(s)</u>
Foster Care - Title IV-E	93.658

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY
 SCHEDULE OF FINDINGS AND RESPONSES
 FEDERAL PROGRAMS AND STATE PROJECTS
 YEAR ENDED JUNE 30, 2009 (Continued)

<u>Name of State Project</u>	<u>CFSA Number(s)</u>
State of Florida Department of Children and Families: Community Based Supports	60.094
Dollar threshold used to distinguish between Type A and Type B programs for federal awards:	\$ 300,000
Dollar threshold used to distinguish between Type A and Type B projects for major state Financial assistance:	\$ 300,000
Auditee qualified as low-risk auditee pursuant to OMB Circular A-133	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE REPORTED

SECTION III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FINDINGS AND RESPONSES

NONE REPORTED

SECTION IV - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 SUMMARY OF PRIOR AUDIT FINDINGS

THERE WERE NO PRIOR YEAR FINDINGS

SECTION V - FINANCIAL ASSISTANCE - MANAGEMENT LETTER

THERE IS NO MANAGEMENT LETTER