

CONSOLIDATED FINANCIAL STATEMENTS

SOUTH FLORIDA, INC. AND SUBSIDIARY

June 30, 2010



June 30, 2010

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated statement of financial position of Family Resource Center of South Florida, Inc. and Subsidiary as of June 30, 2010 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the management of Family Resource Center of South Florida, Inc. and Subsidiary. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated 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, 2010 and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 1, 2011 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 that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Miami, Florida February 1, 2011 Bakaig Rie Palpel y Bent LLP



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2010

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 1,145,884
Restricted cash	6,105
Short-term investment	91,007
Grants, contracts and other receivables	451,585
Prepaid expenses	136,140
TOTAL CURRENT ASSETS	1,830,721
FIXED ASSETS, NET	546,859
OTHER ASSETS	23,213
TOTAL ASSETS	\$ 2,400,793
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 175,427
Accrued payroll and related taxes	526,094
Deferred revenue	1,906
Custodial accounts	6,105
TOTAL CURRENT LIABILITIES	709,532
COMMITMENTS AND CONTINGENCIES	
NET ASSETS - UNRESTRICTED	1,691,261
TOTAL LIABILITIES AND NET ASSETS	\$ 2,400,793

See notes to financial statements.



CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2010

REVENUE, OTHER SUPPORT AND LOSSES - UNRESTRICTED:	
Government grants and contracts	\$ 8,040,134
Foundation and private grants	13,051
United Way allocations	56,961
Special events	36,554
Individual and corporate contributions	89,563
Program service fees	8,235
Interest income	2,113
	8,246,611
Loss on disposal of fixed assets	(258,066)
TOTAL REVENUE, OTHER SUPPORT AND LOSSES - UNRESTRICTED	7,988,545
EXPENSES	
Program services:	
Family services	190,706
Full case management	6,386,937
Homeless programs	59,904
Mental health services	455,653
TOTAL PROGRAM SERVICES	7,093,199
Supporting services:	
General and administrative	953,844
Fundraising	270,860
TOTAL SUPPORTING SERVICES	1,224,704
TOTAL EXPENSES	8,317,904
CHANGE IN NET ASSETS - UNRESTRICTED	(329,359)
NET ASSETS - UNRESTRICTED - BEGINNING OF YEAR	2,020,619
NET ASSETS - UNRESTRICTED - END OF YEAR	\$ 1,691,261

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2010

	Total Program and Supporting Services	\$ 4 079 179	994,162	5,073,341	4 1 7 8	7.763	161 388	21 221	149.832	45,537	92.499	747	316.773	139,262	51.387	88,322	165,474	1.541.427	130,671	88.807	239,775	\$ 8,317,904
	Total Supporting Services	693 497	147.295	840,792	3 378	2,572	74.111	17.242	40,105	21.553	11,382		48,446	34,590	33,279	44,022	105	٠	22,190	10,018	20,919	1,224,704
	Tot	64)																			69
SUPPORTING SERVICES	Fundraising	114.950	22,357	137,307	3 378	455	4.936	15.158	7,171	20,989	1,802		6,350	14,347	17,474	34,022	105	•	3,513		3,853	270,860
UPPOR	H	643	,																			50
S	General and Administrative	578.547	124,938	703,485		2.117	69,175	2,084	32,934	564	9,580		42,096	20,243	15,805	10,000	•	•	18,677	10,018	17,066	\$ 953,844
	Total Program Services	\$ 3,385,681	846,867	4,232,548	800	5.191	87,277	3,979	109,727	23,984	81,117	247	268,327	104,672	18,108	44,300	165,369	1,541,427	108,481	78,789	218,856	\$ 7,093,199
CES	Mental Health Services	\$ 262,780	67,857	330,637	•	349	3,055	250	10,323	•	5,484	•	18,171	10,331	716	15,659	1,495	46,365	7,817	604	4,196	\$ 455,653
PROGRAM SERVICES	Homeless Programs	\$ 20,008	6,493	26,501	r		5,983	•	5,184	•	1,328	•	10,819	1,450	•	6,541	•	4	298	•	1,231	\$ 59,904
,	Full Case Management	\$ 2,985,653	740,208	3,725,861	800	4,922	77,865	3,729	90,238	23,984	70,436	247	222,090	86,865	16,380	22,100	162,943	1,495,062	94,720	78,185	210,510	\$ 6,386,937
	Family Services	\$ 117,241	32,309	149,550	1	(80)	374	•	3,982	Ť	3,869	•	17,247	970'9	811	•	931	•	5,077	•	2,919	\$ 190,706
		Salaries	Benefits and taxes	Total salaries and related expenses	Advertising	Conference training	Depreciation and amortization	Dues and subscriptions	Equipment rental and maintenance	Events and activities	Insurance	Licenses and taxes	Occupancy	Office supplies, postage and printing	Other expenses	Professional and contractual fees	Program supplies	Purchased services	Telephone	Transportation	Travel	Total



CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$	(329,359)
Adjustments to reconcile change in net assets to		
net cash used in operating activities:		
Depreciation and amortization		161,388
Loss on disposal of fixed assets		258,066
Change in operating assets and liabilities:		
Restricted cash		3,959
Grants, contracts and other receivables		(99,167)
Prepaid expenses		(94,720)
Other assets		12,723
Accounts payable and accrued expenses		1,195
Accrued payroll and related taxes		(478)
Deferred revenue		(291)
Custodial accounts		(3,959)
TOTAL ADJUSTMENTS	••••	238,716
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(90,643)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of short-term investment		(1,959)
Purchase of fixed assets		(11,989)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(13,948)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(104,591)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		1,250,474
CASH AND CASH EQUIVALENTS - END OF YEAR	\$	1,145,884

See notes to financial statements.



June 30, 2010

NOTE A--THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>The Organization</u>: 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 organization. The Center's wholly-owned subsidiary, FRC Homestead Housing, L.L.C. ("FRC"), was established in 2003 to better protect and fund the Shepherd House Program facility (Note D).

The Center is a Child Welfare Agency and Community Mental Health Center. The corporate mission of the Center is to protect and treat child abuse and neglect through the strengthening of families. 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.

The Center receives its funding principally from Our Kids of Miami-Dade/Monroe, Inc. ("Our Kids"), United Way of Miami-Dade, South Florida Provider Coalition, Inc., Miami-Dade County Department of Grants and Miami-Dade County Homeless Trust.

<u>Principles of Consolidation</u>: The consolidated financial statements include the accounts of the Center and FRC (collectively the "Organization"). All significant transactions and account balances between entities have been eliminated in consolidation.

Basis of Accounting: The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

- <u>Unrestricted</u>: 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.
- <u>Temporarily Restricted</u>: Net assets used by the Organization are limited by donor-imposed stipulations that either expire with the passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations. The Organization had no temporarily restricted net assets as of June 30, 2010.



NOTE A--THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Basis of Accounting--Continued:

• <u>Permanently Restricted</u>: Net assets used by the Organization are limited by donorimposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization had no permanently restricted net assets as of June 30, 2010.

<u>Cash Equivalents</u>: All highly liquid cash investments with original maturities of three months or less are considered to be cash equivalents.

<u>Restricted Cash:</u> Restricted cash represents child support payments collected from parents to be remitted to their respective children.

Short-Term Investment: Short-term investment, which is carried at fair value, consists of a certificate of deposit that has an original maturity of one year.

Grants, Contracts and Other Receivables: Grants, contracts and other receivables consist principally of amounts due from grantor agencies pursuant to the terms of the respective grant agreements. Grants, contracts and other receivables are stated at net realizable value. Allowances are provided for amounts estimated to be uncollectible based on historical experience and any specific collection issues that the Organization has identified. It is the Organization's policy to charge uncollectible receivables against the allowance when management determines that the related balance will not be collected. Management determined that an allowance for doubtful accounts was not deemed necessary as of June 30, 2010.

<u>Fixed Assets:</u> Fixed assets valued in excess of \$500 are capitalized. Fixed assets are recorded at cost or, if donated, at fair value at the date of donation. Major renewals and improvements are capitalized, while repairs and maintenance expenditures are expensed as incurred. When items are retired or otherwise disposed of, the related costs and accumulated depreciation or amortization are removed from the accounts and any resulting gains or losses are recognized. Depreciation is computed on the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the lesser of the useful life or the term of the lease.



NOTE A--THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

<u>Fixed Assets--Continued:</u> The estimated useful lives of each asset group is as follows:

Asset Group	<u>Years</u>
Building	15-40
Leasehold improvements	5-20
Furniture, fixtures and equipment	3-20
Automobiles	3-5

<u>Grants from Government Agencies</u>: Grants from governmental agencies are recognized as revenue when the grant funds have been expended in accordance with the grant provisions of the respective agreements.

<u>Contributions</u>: Contributions and gifts received with no restrictions or specified uses identified by the donor or grantor are included in unrestricted revenue in the consolidated statement of activities when received.

Contributions received with donor or grantor stipulations that limit the use of donated assets are reported as either temporarily or permanently restricted revenue in the consolidated statement of activities when received. When donor or grantor restrictions expire or are fulfilled by actions of the Organization, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restriction. Donor restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted revenue in the accompanying consolidated financial statements.

<u>Program Services Fees:</u> Program service fees represent user charges for services offered by the Organization. Program service fees generally are recognized as revenue when received.

<u>Fund-Raising Activities</u>: The Organization's consolidated financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, formerly known as the Statement of Position 98-2, "Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Government Entities that Included Fund Raising". FASB ASC 958 establishes criteria for accounting and reporting for any activity that solicits contributions.



NOTE A--THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

<u>Functional Allocation of Expenses:</u> The cost of providing the various programs and other activities has been detailed in the consolidated statement of functional expenses and are summarized on a functional basis in the consolidated 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 time spent on each specific program.

Contributed Goods and Services: Contributed goods and services are reflected in the consolidated 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 individuals possessing those skills and would typically need to be purchased if not provided by donations. For the year ended June 30, 2010, there were no significant non-cash contributions.

<u>Fair Value Measurements:</u> In accordance with GAAP, the Organization defines fair value as the price that would be received to sell an asset or the price paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization.

Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1: Observable inputs, such as quoted market prices in active markets for the identical asset or liability that are accessible at the measurement date.

Level 2: Inputs, other than quoted market prices included in Level 1, that are observable either directly or indirectly for the asset or liability.



NOTE A--THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Fair Value Measurements--Continued:

Level 3: Unobservable inputs that reflect the entity's own assumptions about the exit price of the asset or liability. Unobservable inputs may be used if there is little or no market data for the asset or liability at the measurement date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value.

Short-Term Investment and Cash Equivalents (money market account and certificate of deposit): Valued at cost plus accrued interest.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes it valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair value measurements and the fair value hierarchy level for the Organization's assets measured at fair value as of June 30, 2010, are shown below:

		Assets at Fair Value									
	_ <u>I</u>	evel 1	Leve	el 2	<u>rel 3</u>	<u>Total</u>					
Short-term investment	\$	91,007	\$	_	\$	-	\$	91,007			
Cash equivalents	****	489,521				<u>-</u>		489,521			
Assets at fair value	<u>\$</u>	580,528	<u>\$</u>		\$	_	\$	580,528			

<u>Income Taxes</u>: The Center received a determination from the Internal Revenue Service indicating that it is exempt from Federal income tax on all income except unrelated business income 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);



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE A--THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

<u>Income Taxes--Continued</u>: accordingly, no provision for income taxes has been recorded in the accompanying consolidated financial statements. For the year ended June 30, 2010, the Center had no unrelated business income.FRC is a single member limited liability corporation and is disregarded for income tax purposes; therefore, net earnings or losses pass through to the Center.

The Organization adopted new guidance regarding Accounting for Uncertainity in Income Taxes, which provides guidance on the financial statement recognition of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Organization applied this guidance to its tax positions for the year ended June 30, 2010. The Organization had no material unrecognized tax benefits and no adjustments to its consolidated financial position, activities or cash flows were required. The Organization does not expect that unrecognized tax benefits will increase within the next twelve months. The Organization's tax returns for the years ended June 30, 2007 through June 30, 2010 remain subject to examination by Federal and State tax jurisdictions. The Organization recognizes accrued interest and penalties, if any, related to uncertain tax positions as income tax expense.

<u>Use of Estimates</u>: The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses, and gains and losses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements: In June 2009, the Organization adopted the changes issued by the FASB to the authoritative hierarchy of GAAP. These changes establish the FASB Accounting Standards Codification ("Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. The FASB will no longer issue new standards in the form of FASB Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts; instead the FASB will issue Accounting Standards Updates. Accounting Standards Updates will not be authoritative in their own right as they will only serve to update the Codification.

NOTE A--THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Recent Accounting Pronouncements--Continued: These changes and the Codification itself do not change GAAP. Other than the manner in which new accounting guidance is referenced, these changes had no impact on the Organization's consolidated financial statements.

In September 2006, the FASB issued guidance on measurements of fair value. The guidance defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. The guidance does not require any new fair value measurements; rather, it applies to other accounting pronouncements that require or permit fair value measurements. In February 2008, the FASB issued authoritative guidance which allowed for the delay of the effective date of the authoritative guidance related to fair value measurement of nonfinancial assets and nonfinancial liabilities, except for certain items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). In August 2009, the FASB issued an update regarding fair value measurement. This Accounting Standards Update amends the provisions related to the fair value measurement of liabilities and clarifies for circumstances in which a quoted price in an active market for the identical liability is not available. The Accounting Standards Update is intended to reduce potential ambiguity in financial reporting when measuring the fair value of liabilities. The adoption of the guidance for financial assets and financial liabilities did not have a material impact on the Organization's consolidated results of operations or the fair values of its financial assets and liabilities.

In May 2009, the FASB issued guidance regarding subsequent events (events or transactions occurring after the balance sheet date but before financial statements are issued). The Organization adopted these requirements for the year ended June 30, 2010.

In September 2009, the FASB issued Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities. This update provides implementation guidance, through examples, on how to apply the standards for uncertainty in income taxes for nonpublic entities and adopt the uncertainty standard for those years beginning on or after December 15, 2008. In addition, the amendments eliminate the disclosures required for nonpublic entities whereby a tabular reconciliation of the total amount of unrecognized tax benefits at the beginning and end of the periods presented is not required. The guidance requires the disclosure of the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate.



NOTE A--THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

<u>Recent Accounting Pronouncements--Continued</u>: The Organization has implemented the guidance for the year ended June 30, 2010. The adoption of this guidance did not have an impact on the consolidated financial statements of the Organization.

<u>Subsequent Events</u>: The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through February 1, 2011, the date the consolidated financial statements were available to be issued.

NOTE B--FIXED ASSETS

Fixed Assets at June 30, 2010 consist of the following:

Building and leasehold improvements	\$	423,183
Furniture, fixtures and equipment		659,418
Automobiles		167,421
		1,250,022
Less: accumulated depreciation and amortization		764,763
		485,259
Land		61,600
	<u>\$</u>	546,859

Depreciation and amortization expense for the year ended June 30, 2010 amounted to approximately \$161,000.

NOTE C--OUR KIDS CONTRACT

In November 2009, the Center executed a contract (the "Contract") with Our Kids that is subordinate to a master agreement (the "Master Contract") between Our Kids and the Florida Department of Children and Families (the "Department"). Under the terms of the Master Contract, the Department appointed Our Kids as its agent for the oversight of foster care and related services in Miami-Dade and Monroe Counties. Pursuant to the Contract, the Center is one of the providers for such foster care and related services in Miami-Dade County.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE C--OUR KIDS CONTRACT--Continued

The Contract is a fixed-price, unit cost contract based on full case management services, such as recruitment and study of adoptive families, child studies, placement and supervision prior to finalization of adoptions, and post adoptive support services, provided by the Center to all children referred by Our Kids. Service fees earned by the Center under the Contract amounted to approximately \$7,876,000, which amount is included in government grants and contracts in the accompanying Consolidated Statement of Activities, for the year ended June 30, 2010.

The Organization has an irrevocable standby letter of credit ("LOC") of \$80,000, expiring in June 2011. The LOC was issued in favor of the Contract. No amounts have been drawn against the LOC.

NOTE D--SHEPHERD HOUSE PROGRAM FACILITY

The Organization entered into an agreement with Miami-Dade County to provide supportive housing to individuals and families (termed the "Shepherd House Program"). In connection with the agreement, the Center received land and building (the "Property") from Miami-Dade County to operate the Shepherd House Program. During the year ended June 30, 2010, management and the Board of Directors elected to not renew the agreement, which resulted in the transfer of the Property to another agency, pursuant to the terms of the agreement. Miami-Dade County has released the Organization from all present and future obligations under the terms of the agreement. The Organization did not receive any compensation from the Property transfer which resulted in a loss from disposal of approximately \$258,000.

NOTE E--LINES OF CREDIT

The Organization executed an unsecured line of credit agreement, due on demand, for \$200,000 with a financial institution. The line of credit bears interest at the prime rate (3.25% as of June 30, 2010) plus 1%.

The Organization executed an unsecured line of credit, due on May 14, 2011, for \$80,000 with a financial institution. The line of credit bears interest at the prime rate (3.25% as of June 30, 2010).

The Organization did not borrow against the lines of credit during the year ended June 30, 2010.



NOTE F--EMPLOYEE BENEFIT PLAN

The Organization sponsors a defined contribution retirement plan (the "Plan") covering substantially all of its full-time employees. Employees become eligible for Plan participation after completing one year of service and obtaining the age of twenty one. The Organization contributes 5% of eligible employees' gross compensation to the Plan. All contributions made on behalf of employees become fully vested upon completing three years of service. For the year ended June 30, 2010, the Organization contributed \$152,765 to the Plan.

NOTE G--COMMITMENTS

The Organization leases office space under a non-cancellable operating lease, as amended, which expires in November 2015 (Note J). Additionally, the Organization leases office equipment and a vehicle under non-cancelable operating leases, expiring at various dates through November 2014. Rent expense for these leases for the year ended June 30, 2010 amounted to \$282,405.

As of June 30, 2010, the estimated minimum annual non-cancelable commitments on these leases are as follows:

Year Ended June 30,	Amount
2011	\$ 357,000
2012	383,000
2013	398,000
2014	405,000
2015	381,000
Thereafter	151,000
Total	<u>\$2,075,000</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE H--CONCENTRATIONS

From time to time, the Organization maintains its cash and cash equivalents in deposit accounts and short-term investments at financial institutions that exceed the Federal Deposit Insurance Corporation ("FDIC") limits. As of June 30, 2010, the Organization did not have amounts with these financial institutions in excess of FDIC limits.

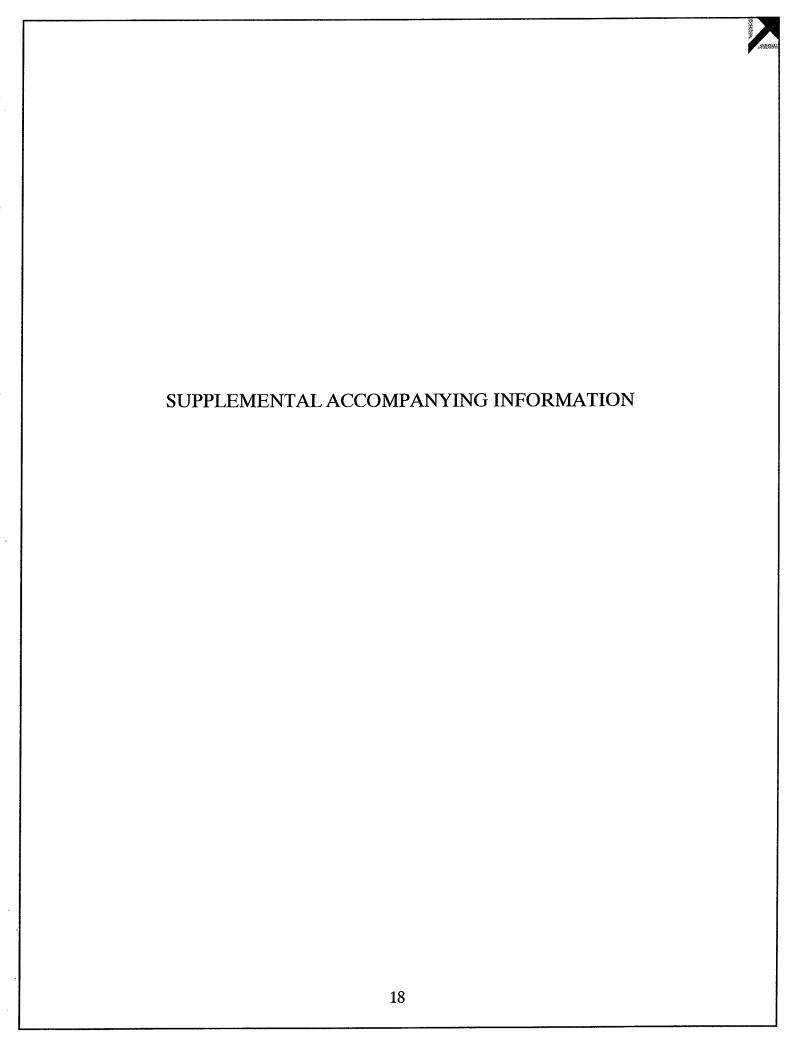
The Center received approximately 98% of its government grant revenue from Our Kids for the year ended June 30, 2010. As the revenue from Our Kids is significant to the overall operations of the Organization, any reduction or loss of funding from Our Kids may affect the Organization's ability to operate in its present form. Receivables from Our Kids were approximately 83% of grants, contracts and other receivables as of June 30, 2010.

NOTE I--CONTINGENCIES

The Organization participates in federal and state grant programs that are subject to audit by the respective grantor agencies. Any disallowed funds received or to be received under these programs may constitute a liability in the amount of the disallowed funds. Management does not believe that any potential disallowed funds would have a significant effect on the consolidated financial statements.

NOTE J--SUBSEQUENT EVENT

In September 2010, the Organization executed an amended office lease agreement (the "Amended Agreement") (Note G). The Amended Agreement provides for the lease of additional office space and the extension of the lease through November 2015. Additionally, the Amended Agreement requires monthly lease payments ranging from approximately \$25,000 to \$30,000.



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INDEPENDENT AUDITORS' REPORT ON ACCOMPANYING INFORMATION

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

The report on our audit of the basic consolidated financial statements of Family Resource Center of South Florida, Inc. and Subsidiary as of June 30, 2010 and for the year then ended appears on page 2. That audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental information, as listed in the index on page 3, is presented for purposes of additional analysis and is required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government, and Non-Profit Organizations; Chapter 10.650, Rules of the Auditor General; and the State of Florida Department of Children and Families. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic consolidated financial statements taken as a whole.

Baknity Dick Pallock, Bent LLP

Miami, Florida February 1, 2011



FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY SCHEDULE OF STATE EARNINGS

Year ended June 30, 2010

1	Total Expenditures	\$	8,317,904
2	Less: Other State and Federal Funds		(7,922,680)
3	Less: Non-Match SAMH Funds		(117,454)
4	Less: Unallowable costs per 65E-14, F.A.C.		(6,495)
5	Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)		271,275
6	Maximum Available Earnings (Line 5 times 75%)		203,456
7	Amount of State Funds Requiring Match		3,948
8	Amount Due to Department (if negative)	<u>\$</u>	199,508

See accompanying independent auditors' report on supplemental information and notes to the schedules.



SCHEDULE OF PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES

Year ended June 30, 2010

AGENCY:

Family Resource Center of South Florida, Inc.

DATE PREPARED: 2/1/11

CONTRACT #:

KD 228 11

BUDGET PERIOD: 7/1/09 - 6/30/10

PART 1: ACTUAL FUNDING SOURCES & REVENUES

]								
	STATE	STATE SAMH-FUNDED COST CENTERS								
	PROG	RAM 1	PRO	OGRAM 2	_					
FUNDING SOURCES & REVENUES A	Assessment B1-a	Outpatient- Individual B1-b	Outreach B2-a	Outpatient- Group B2-b	Total for State SAMH-Funded Cost Centers	Total for Non- State- Funded SAMH Cost Centers	Tot. for All State- Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center	Total Funding (F+G) H	
IA. STATE SAMH FUNDING	1 51-4	1 - 51-0	DZ-u					I		
(1) From the District Funding this Contrac (2)	1 \$ 8,490	\$ 79,680 -	\$ 2,506	\$ 26,778	\$ 117,454 -	\$ - -	\$ 117,454	\$ -	\$ 117,454	
(3)	-	-	-	-	-	-	-	-	-	
(4)	-	-	-	-	-	-	-	-	-	
(5)	-	-	-	-	-	-	-	-	•	
(6) From Other Districts			-							
TOTAL STATE SAMH FUNDING	8,490	79,680	2,506	26,778	117,454		117,454	-	117,454	
IB. OTHER GOVT FUNDING										
(1) Other State Agency Funding	-	-	-	-	=	13,028	13,028	3,061,919	3,074,947	
(2) Medicaid	-	-	-	-	•	98,483	98,483	-	98,483	
(3) Local Government	-	-	-	-	-	-	-	-	-	
(4) Federal Grants and Contracts	-	-	-	-	-	-	-	4,749,250	4,749,250	
(5) In-kind from Local Govt. Only	<u>-</u>	<u> </u>								
TOTAL OTHER GOVT FUNDING		•				111,511	111,511	7,811,169	7,922,680	
IC. ALL OTHER REVENUES										
(1) 1st & 2nd Part Payments		-	-		-	-	-	-	-	
(2) 3rd Party Payments (except Medicare)	-	-	-	-	-	-	-	-	-	
(3) Medicare	-	-	-	•	-		-	-	-	
(4) Contributions and Donations				-	-		-	49,200	49,200	
(5) Other	-		-	-	-	-	-	116,914	116,914	
(6) In-Kind							-	40,363	40,363	
TOTAL ALL OTHER REVENUES								206,477	206,477	
TOTAL FUNDING	\$ 8,490	\$ 79,680	\$ 2,506	\$ 26,778	\$ 117,454	\$ 111,511	\$ 228,965	\$ 8,017,646	\$ 8,246,611	



SCHEDULE OF PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES -- CONTINUED

AGENCY:

Family Resource Center of South Florida, Inc.

DATE PREPARED: 2/1/11

CONTRACT #:

KD 228 11

BUDGET PERIOD: 7/1/09 - 6/30/10

PART II: ACTUAL EXPENSES											
		ST	ATE-DESI	GNATD SA	MH COST CEN	NTERS					
	STATES	AMH-FUND			į						
•											
	PROC	RAM 1	PROC	RAM 2		Total for Non-	Tot. for All State-				
					Total for State		Designated	Non-SAMH			
		Outpatient-			Funded AMH	SAMH Cost	SAMH	Cost	Support		Total
EXPENSE CATEGORIES	Assessment	Individual	Outreach	Group	Cost Centers	Centers	Cost Centers	Center	Costs	Administration	Expenses (F+G+H+I)
A	B1-a	В1-ь	B2-a	В2-ь	D	E	(D+E) F	G	н	1	J
IIA. PERSONNEL EXPENSES	DI-a	DI-0	1 224	1 220	<u> </u>	1		<u></u>			
(1) Salaries	\$ 9.744	\$ 91,447	\$ 2,876	\$ 30,733	\$ 134,800	\$ 127,979	\$ 262,780	\$ 3,122,902	s -	\$ 693,497	\$ 4,079,179
(1) Salaries (2) Fringe Benefits	2,516	23,614	743	7,936	34,809	33,048	67,857	779,010	-	147,295	994,162
•										840.702	6.002.241
TOTAL PERSONNEL EXPENSES	12,260	115,062	3,619	38,669	169,609	161,027	330,637	3,901,912		840,792	5,073,341
IB. OTHER EXPENSES											
(1) Building Occupany	674	6,324	199	2,125	9,321	8,850	18,171	250,156	-	48,446	316,773
(2) Professional Services	581	5,449	171	1,831	8,033	7,626	15,659	28,641	-	44,022	88,322
(3) Travel	178	1,670	53	561	2,462	2,338	4,800	292,845	-	30,937	328,582
(4) Equipment	383	3,592	113	1,207	5,295	5,028	10,323	99,404	-	40,105	149,832
(5) Food Services	5	49	2	16	72	69	141	5,794	-	105	6,040
(6) Medical and Pharmacy	346	3,248	102	1,091	4,787	4,545	9,332	19,277	-	-	28,609
(7) Subcontracted Services	1,373	12,888	405	4,331	18,997	18,036	37,033	1,475,785	-	-	1,512,818
(8) Insurance	203	1,908	60	641	2,813	2,671	5,484	75,633	-	11,382	92,499
(9) Interest Paid	-	-	-	-	-	•	-	-	-	-	-
(10) Operating Supplies & Expenses	723	6,787	213	2,281	10,004	9,498	19,502	353,085	-	56,780	429,367
(11) Other	190	1,784	56	600	2,630	2,497	5,127	140,954	-	145,640	291,721
(12) Donated Items										-	
TOTAL OTHER EXPENSES	4,656	43,699	1,374	14,686	64,416	61,156	125,572	2,741,574		377,417	3,244,563
TOTAL PERSONNEL & OTHER EXPENSES	16,916	158,761	4,993	53,355	234,025	222,184	456,209	6,643,486		1,218,209	8,317,904
IIC. DISTRIBUTED INDIRECT COSTS											
(a) Other Support Costs(Optional)	-	-	-	-	-	-		-	-	-	-
(b) Administration	(1,254)	(11,770)	(370)	(3,956)	(17,350)	(16,473)	(33,823)	(1,184,386)		(1,218,209)	
TOTAL DISTR'D INDIRECT COSTS	(1,254)	(11,770)	(370)	(3,956)	(17,350)	(16,473)	(33,823)	(1,184,386)		(1,218,209)	
TOTAL ACTUAL OPERATING EXPENSES	15,662	146,991	4,623	49,399	216,675	205,711	422,385	5,459,100			8,317,904
IID. UNALLOWABLE COSTS	21	193	6	65	285	271	556	5,939			6,495
TOTAL ALLOWABLE OPERATING EXPENSES	\$ 15,641	\$ 146,798	\$ 4,617	\$ 49,334	\$ 216,390	\$ 205,440	\$ 421,829	\$ 5,453,161	<u>s -</u>	<u> </u>	\$ 8,311,409
IIE. CAPITAL EXPENDITURES	<u>\$</u> -	<u>\$</u>	<u>s -</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>s -</u>	<u>s -</u>	<u>\$</u>



SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS

Year ended June 30, 2010

Program	Cost Center	Co	State ntracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department (D-E)	1	amount Paid for Services by the Department	in	aximum \$ Value of Units Column F	Ow Depa (G-I which	nount wed to artment H or \$0, hever is eater)
A	В		С	D	Е	F		G		Н		1
Children's MH Adult MH	Crisis Stabilization Unit Crisis Stabilization Unit	\$	-	-	-	-	\$	-	\$	-	\$	-
Children's SA	Substance Abuse Detox		-	-	-	-		-		-		-
Adult SA	Substance Abuse Detox			-	-	-		-		-		-
Adult MH	Short-term Residential Treatment		-	÷	-	-		-		-		
						Total Amou	ıt C	owed to De	part	ment	\$	_

Note: This schedule is not applicable as the entity did not provide such services for the year ended June 30, 2010.



SCHEDULE OF RELATED PARTY TRANSACTIONS

Year ended June 30, 2010

			A	llocation	of Related	Party Transa	ctions Adjust	ment	
	Rel	ated							
Revenues From Grantee		Party		State-Designated Cost Centers					
				1	2 3			Total	
Rent	\$	-	\$	-	\$	- \$	- \$		
Services		_	·	_		-	-		
Interest		_		_		-	-	_	
Other		_		_			-		
Total Revenue From Grantee	\$	_	\$		\$	- \$	- \$	-	
Expenses Associated with Grantee Transactions									
Personnel Services	\$	-	\$	_	\$	- \$	- \$	-	
Depreciation		_		-		-	-	-	
Interest		-		-		-	-	-	
Other		_				-	<u> </u>	<u> </u>	
Total Associated Expenses	\$		\$		\$	- \$	- \$		
Related Party Transaction Adjustm	ent \$		\$		\$	- \$	<u>-</u> \$		

Note: This schedule is not applicable as the entity did not have any related party transactions for the year ended June 30, 2010.



FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY NOTES TO THE DEPARTMENT OF CHILDREN AND FAMILIES SCHEDULES

Year Ended June 30, 2010

NOTE A--GENERAL

The accompanying Schedules of State Earnings, Program/Cost Center Actual Expenses and Revenues, Bed-Day Availability Payments and Related Party Transactions (collectively the "Department of Children and Families Schedules") were prepared in accordance with the requirements of Chapter 65E-14 of the Florida Administrative Code. The Organization's reporting entity (the Center) is described in Note A of the consolidated financial statements.



FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

Year ended June 30, 2010

Federal/State Agency, Pass-through Entity	CFDA/CSFA No.	Contract	Expenditures	Transfers to Subrecipients
Federal Awards Programs:				
U.S. Department of Health and Human Services				
Indirect Program Passed Through:				
Temporary Assistance for Needy Families	93.558	KD-228	\$ 117,454	\$ -
U.S. Department of Housing and Urban Development				
Indirect Program Passed Through:				
Miami-Dade County Homeless Trust	14.235	N/A	31,895	-
U.S. Department of Health and Human Services				
Indirect Programs Passed Through:				
Our Kids of Miami-Dade/Monroe, Inc.:				
Temporary Assistance for Needy Families Block Grant	93.558	N/A	1,018,821	-
Child Welfare Services State Grants	93.645	N/A	215,316	-
Foster Care - Title IV - E	93.658	N/A	2,296,109	-
Adoption Assistance	93.659	N/A	327,619	•
Social Services Block Grant	93.667	N/A	346,286	-
Independent Living	93.674	N/A	77,968	-
Promoting Safe and Stable Families	93.556	N/A	50,949	-
State Matching Funds for Federal Awards Programs:				
Child Welfare Services State Grants	93.645	N/A	71,772	-
Adoption Assistance	93.659	N/A	325,629	-
Independent Living	93.674	N/A	19,492	-
Block Grants for Community Mental Health Services	93.958	N/A	60,928	-
Family Preservation and Support Services	93.556	N/A	2,973	
TOTAL FEDERAL AWARDS PROGRAMS			\$ 4,963,210	<u> </u>
State Financial Assistance Projects:				
Indirect Program Passed Through:				
Our Kids of Miami-Dade/Monroe, Inc.:				
Community Based Care Support	60.094	N/A	\$ 3,061,919	\$ -
TOTAL STATE FINANCIAL ASSISTANCE PROJECTS			\$ 8,025,130	\$ -
TOTAL STATE FINANCIAL ASSISTANCE PROJECTS			φ 0,023,130	Ψ <u>-</u>

See accompanying notes to the schedule of expenditures of federal awards programs and state financial assistance projects.



NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

Year Ended June 30, 2010

NOTE A--GENERAL

The accompanying Schedule of Expenditures of Federal Awards Programs and State Financial Assistance Projects (the "Schedule") presents the federal and state grant activity of the Organization for the year ended June 30, 2010. The Organization's reporting entity is described in Note A to the consolidated financial statements.

NOTE B--BASIS OF ACCOUNTING

The Schedule is presented using GAAP, which is described in Note A to the Organization's consolidated financial statements. The information in the Schedule is presented in accordance with the requirements of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government, and Non-Profit Organizations, and Chapter 10.650, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the basic consolidated financial statements.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE 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.

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, 2010 and have issued our report thereon dated February 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

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 our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 Family Resource Center of South Florida, Inc. and Subsidiary's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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.



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 consolidated 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 that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Directors, management, federal and state awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

But only Dit Prefect, Bent LLP

Miami, Florida February 1, 2011

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT

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

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, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement that are applicable to each of its major federal programs and state projects for the year ended June 30, 2010. Family Resource Center of South Florida, Inc. and Subsidiary's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to 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 auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about 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.

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, 2010.



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 Family Resource Center of South Florida, Inc. and Subsidiary's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project 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 Family Resource Center of South Florida, Inc. and Subsidiary's internal control over compliance.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than those specified parties.

Buhang Die Pallack of Bent LLA

Miami, Florida February 1, 2011

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

I. Summary of Independent Auditors' Results

Consolidated Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	Yes	X_No
Significant deficiency(ies) identified that are		
not considered to be material weakness(es)?	Yes	X_No
Noncompliance material to financial statement noted?	Yes	X_No
Federal Programs and State Projects		
Internal control over major programs and projects:		
Material weakness(es) identified?	Yes	X_No
Significant deficiency(ies) identified that are not		
considered to be material weakness(es)?	Yes	X_No
Type of auditor's report issued on compliance for		
major programs and projects:	<u>Unqualified</u>	

Identification of major programs and projects:

and Chapter 10.656?

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133

CFDA Number Name of Federal Program or Cluster
--

Our Kids of Miami-Dade/Monroe, Inc. Cluster: 93.658 Temporary Assistance for Needy Families Block Grant 93.645 Child Welfare Services State Grants 93.658 Foster Care - Title IV - E 96.659 Adoption Assistance 93.667 Social Services Block Grant

Yes

X No



FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS--Continued

Name of Federal Program or Cluster

I. Summary of Independent Auditors' Results--Continued

CFDA Number

<u>OI DITT (UIIIOUI</u>	Traine of Federal Flogram of Ci	<u>tustor</u>			
Our Kids of Miami-	Dade/Monroe, Inc. Cluster-Contini	ıed:			
93.674	Independent Living				
93.556	Promoting Safe and Stable Fa	amilies			
	State Matching Funds for Fed		S:		
93.645	Child Welfare Services Sta	•			
93.659	Adoption Assistance				
93.674	Independent Living				
93.958	Block Grants for Commun	ity Mental Health Serv	rices		
93.556	Family Preservation and Su				
	•	••			
CSFA Number	Name of State Project				
60.094	State of Florida Department of Families: Community Based				
	ed to distinguish between B federal programs:	\$300,000			
Dollar threshold used to distinguish between type A and type B state projects: \$300,000					
Auditee qualified as low-risk auditee pursuant to OMB Circular A-133?					

- II. Findings Relating to the Consolidated Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards
 - A. Significant Deficiencies or Material Weaknesses in Internal Control

The audit of the consolidated financial statements of Family Resource Center of South Florida, Inc. and Subsidiary as of and for the year ended June 30, 2010 disclosed no significant deficiencies or material weaknesses relating to federal programs or state projects. Accordingly, a management letter was not issued.



FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC. AND SUBSIDIARY SCHEDULE OF FINDINGS AND OUESTIONED COSTS--Continued

II. Findings Relating to the Consolidated Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards-Continued

B. Compliance Findings

The audit disclosed no instances of noncompliance which are material to the consolidated financial statements of Family Resource Center of South Florida, Inc. and Subsidiary as of and for the year ended June 30, 2010.

III. Findings and Questioned Costs for Federal Programs and State Projects

The audit of the consolidated financial statements of Family Resource Center of South Florida, Inc. and Subsidiary as of and for the year ended June 30, 2010 disclosed no findings or questioned costs relating to federal programs or state projects.

There were no findings or questioned costs noted during the audit of the June 30, 2009 consolidated financial statements of Family Resource Center of South Florida, Inc. and Subsidiary.