

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

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## INDEPENDENT AUDITORS' REPORT

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

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Family Resource Center of South Florida, Inc., which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Resource Center of South Florida, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules, as listed in the compliance section in the table of contents, as required by the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Report on Summarized Comparative Information***

We have previously audited Family Resource Center of South Florida, Inc.'s June 30, 2019 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 24, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2021 on our consideration of Family Resource Center of South Florida, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering Family Resource Center of South Florida, Inc.'s internal control over financial reporting and compliance.

*Marcum LLP*

Miami, FL  
January 11, 2021

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2020**

**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)**

|  | 2020         | 2019         |
|--|--------------|--------------|
| <b>Assets</b>                                  |              |              |
| <b>Current Assets</b>                          |              |              |
| Cash and cash equivalents                      | \$ 3,051,576 | \$ 2,069,395 |
| Restricted cash                                | 6,661        | 7,543        |
| Grants, contracts and other receivables        | 170,005      | 342,719      |
| Prepaid expenses                               | 243,243      | 279,535      |
| <b>Total Current Assets</b>                    | 3,471,485    | 2,699,192    |
| <b>Fixed Assets, Net</b>                       | 346,523      | 471,153      |
| <b>Certificates of Deposit</b>                 | 361,131      | 352,213      |
| <b>Other Assets</b>                            | 40,000       | 40,000       |
| <b>Total Assets</b>                            | \$ 4,219,139 | \$ 3,562,558 |
| <b>Liabilities and Net Assets</b>              |              |              |
| <b>Current Liabilities</b>                     |              |              |
| Accounts payable and accrued expenses          | \$ 103,583   | \$ 257,956   |
| Accrued payroll and related taxes              | 714,737      | 1,131,080    |
| Note payable, net of long-term maturities      | 389,689      | --           |
| Deferred revenue                               | 22,000       | --           |
| Custodial accounts                             | 6,661        | 7,543        |
| <b>Total Current Liabilities</b>               | 1,236,670    | 1,396,579    |
| <b>Deferred rent</b>                           | 326,610      | 284,478      |
| <b>Note Payable, Net of Current Maturities</b> | 496,369.00   | --           |
| <b>Commitments and Contingencies</b>           |              |              |
| <b>Net Assets - Without Donor Restrictions</b> | 2,159,490    | 1,881,501    |
| <b>Total Liabilities and Net Assets</b>        | \$ 4,219,139 | \$ 3,562,558 |

*The accompanying notes are an integral part of these financial statements.*

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

|   | 2020              | 2019              |
|---|-------------------|-------------------|
| <b>Revenue, Other Support and Losses -<br/>Without Donor Restrictions</b> |                   |                   |
| Government grants and contracts   | \$ 13,124,239     | \$ 13,142,758     |
| Individual and corporate contributions                                    | 164,813           | 283,257           |
| Foundation and private grants   | 105,298           | 98,682            |
| Program service fees, interest and other                                  | 84,617            | 12,141            |
| United Way allocations  | 81,324            | 74,583            |
| Special events  | 4,051             | 103,750           |
|   | 13,564,342        | 13,715,171        |
| Loss on disposal of fixed assets  | (304)             | (13,870)          |
|   | <b>13,564,038</b> | <b>13,701,301</b> |
| <b>Expenses</b>   |                   |                   |
| Program services:   |                   |                   |
| Family services   | 528,041           | 480,938           |
| Full case management  | 10,376,117        | 10,966,544        |
| Mental health services  | 459,107           | 330,846           |
| SAMHSA services   | 333,568           | 84,723            |
| Total program services  | 11,696,833        | 11,863,051        |
| Supporting activities:  |                   |                   |
| General and administrative  | 1,247,193         | 1,184,280         |
| Fundraising   | 342,023           | 482,949           |
| Total supporting activities   | 1,589,216         | 1,667,229         |
| <b>Total Expenses</b>   | <b>13,286,049</b> | <b>13,530,280</b> |
| <b>Change in Net Assets - Without Donor Restrictions</b>                  | 277,989           | 171,021           |
| <b>Net Assets - Without Donor Restrictions - Beginning</b>                | 1,881,501         | 1,710,480         |
| <b>Net Assets - Without Donor Restrictions - Ending</b>                   | \$ 2,159,490      | \$ 1,881,501      |

*The accompanying notes are an integral part of these financial statements.*

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

|  | Program Services  |                      |                        |                   |                        | Supporting Activities      |                   |                           | 2020                 | 2019                 |
|--|-------------------|----------------------|------------------------|-------------------|------------------------|----------------------------|-------------------|---------------------------|----------------------|----------------------|
|  | Family Services   | Full Case Management | Mental Health Services | SAMHSA Services   | Total Program Services | General and Administrative | Fundraising       | Total Supporting Services |                      |                      |
| Salaries                                   | \$ 332,575        | \$ 5,679,269         | \$ 281,817             | \$ 232,691        | \$ 6,526,352           | \$ 847,674                 | \$ 119,341        | \$ 967,015                | \$ 7,493,367         | \$ 7,300,934         |
| Benefits and taxes                         | 87,468            | 1,460,428            | 40,058                 | 45,891            | 1,633,845              | 157,952                    | 29,305            | 187,257                   | 1,821,102            | 1,883,150            |
| <b>Total Salaries and Related Expenses</b> | <b>420,043</b>    | <b>7,139,697</b>     | <b>321,875</b>         | <b>278,582</b>    | <b>8,160,197</b>       | <b>1,005,626</b>           | <b>148,646</b>    | <b>1,154,272</b>          | <b>9,314,469</b>     | <b>9,184,084</b>     |
| Purchased services                         | --                | 1,085,254            | 168                    | --                | 1,085,422              | --                         | --                | --                        | 1,085,422            | 1,251,847            |
| Occupancy                                  | 42,695            | 739,704              | 18,331                 | 18,292            | 819,022                | 45,745                     | 9,126             | 54,871                    | 873,893              | 873,952              |
| Insurance                                  | 18,377            | 396,881              | 7,876                  | 3,557             | 426,691                | 19,689                     | 3,938             | 23,627                    | 450,318              | 394,492              |
| Equipment rental and maintenance           | 15,598            | 237,122              | 7,105                  | 7,054             | 266,879                | 29,488                     | 5,498             | 34,986                    | 301,865              | 301,690              |
| Office supplies, postage and printing      | 12,667            | 226,979              | 6,103                  | 7,556             | 253,305                | 28,339                     | 4,360             | 32,699                    | 286,004              | 253,583              |
| Travel                                     | 1,950             | 204,116              | 893                    | 6,130             | 213,089                | 4,558                      | 1,516             | 6,074                     | 219,163              | 322,729              |
| Professional and contractual fees          | 6,824             | 104,953              | 62,084                 | 217               | 174,078                | 31,806                     | 12,783            | 44,589                    | 218,667              | 164,425              |
| Depreciation and amortization              | 396               | 62,230               | 19,180                 | 661               | 82,467                 | 23,191                     | --                | 23,191                    | 105,658              | 114,800              |
| Events and activities                      | --                | --                   | --                     | --                | --                     | 16                         | 98,263            | 98,279                    | 98,279               | 226,687              |
| Program supplies                           | 3,274             | 23,923               | 9,824                  | 533               | 37,554                 | --                         | 46,600            | 46,600                    | 84,154               | 231,109              |
| Telephone                                  | 4,769             | 55,154               | 3,365                  | 2,766             | 66,054                 | 10,766                     | 784               | 11,550                    | 77,604               | 41,029               |
| Other expenses                             | 586               | 40,727               | 251                    | 251               | 41,815                 | 7,100                      | 6,432             | 13,532                    | 55,347               | 29,235               |
| Transportation                             | --                | 28,707               | --                     | --                | 28,707                 | 10,784                     | --                | 10,784                    | 39,491               | 49,036               |
| Licenses and taxes                         | 634               | 10,591               | 272                    | 284               | 11,781                 | 14,195                     | 124               | 14,319                    | 26,100               | 17,471               |
| Conference training                        | --                | 4,887                | 180                    | 7,599             | 12,666                 | 7,838                      | 25                | 7,863                     | 20,529               | 39,835               |
| Dues and subscriptions                     | 200               | 7,566                | 436                    | 86                | 8,288                  | 8,052                      | 3,885             | 11,937                    | 20,225               | 23,459               |
| Advertising                                | 28                | 7,626                | 1,164                  | --                | 8,818                  | --                         | 43                | 43                        | 8,861                | 10,817               |
| <b>Total</b>                               | <b>\$ 528,041</b> | <b>\$ 10,376,117</b> | <b>\$ 459,107</b>      | <b>\$ 333,568</b> | <b>\$ 11,696,833</b>   | <b>\$ 1,247,193</b>        | <b>\$ 342,023</b> | <b>\$ 1,589,216</b>       | <b>\$ 13,286,049</b> | <b>\$ 13,530,280</b> |

*The accompanying notes are an integral part of these financial statements.*

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

|   | 2020         | 2019         |
|---|--------------|--------------|
| <b>Cash Flows From Operating Activities</b>   |              |              |
| Change in net assets  | \$ 277,989   | \$ 171,021   |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |              |              |
| Depreciation and amortization   | 105,658      | 114,800      |
| Loss on disposal of fixed assets  | 304          | 13,870       |
| Change in operating assets and liabilities:   |              |              |
| Grants, contracts and other receivables   | 172,714      | 241,711      |
| Prepaid expenses  | 36,292       | (46,860)     |
| Accounts payable and accrued expenses   | (154,373)    | (55,648)     |
| Accrued payroll and related taxes   | (416,343)    | 224,075      |
| Deferred rent   | 42,132       | 69,844       |
| Deferred revenue  | 22,000       | --           |
| Custodial accounts  | (882)        | --           |
| Total Adjustments   | (192,498)    | 561,792      |
| <b>Net Cash Provided by Operating Activities</b>  | 85,491       | 732,813      |
| <b>Cash Flows From Investing Activities</b>   |              |              |
| Acquisition of short-term investment  | (8,918)      | (5,727)      |
| Proceeds from sale of fixed assets  | 25,218       | 6,300        |
| Purchase of fixed assets  | (6,550)      | (87,453)     |
| <b>Net Cash Provided By (Used In) Investing Activities</b>                                  | 9,750        | (86,880)     |
| <b>Cash Flows From Financing Activities</b>   |              |              |
| Proceeds from issuance of note payable  | 1,772,100    | --           |
| Repayment of note payable   | (886,042)    | --           |
| <b>Net Cash Provided By Financing Activities</b>  | 886,058      | --           |
| <b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>                             | 981,299      | 645,933      |
| <b>Cash, Cash Equivalents and Restricted Cash - Beginning of Year</b>                       | 2,076,938    | 1,431,005    |
| <b>Cash, Cash Equivalents and Restricted Cash - End of Year</b>                             | \$ 3,058,237 | \$ 2,076,938 |

*The accompanying notes are an integral part of these financial statements.*



**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***THE ORGANIZATION***

Family Resource Center of South Florida, Inc. (the “Organization”) was established and incorporated on February 1, 1978 under the laws of the State of Florida as a not-for-profit organization.

The Organization is a Child Welfare Agency. The corporate mission of the Organization is to prevent and treat child abuse and neglect through the strengthening of families. The Organization’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 Organization receives its funding principally from Citrus Health Network, Inc. (“Citrus”), the Children’s Trust, United Way of Miami-Dade, and Miami-Dade County Department of Grants.

***FINANCIAL STATEMENT PRESENTATION***

The 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 and expenses are classified based on the existence or absence of donor-imposed restrictions as follows:

***Without Donor Restrictions***

Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in net assets with donor restrictions. As of June 30, 2020, the Organization had net assets without donor restrictions as of \$2,159,490.

***With Donor Restrictions***

Net assets used by the Organization which are limited by donor-imposed restrictions that either expire with the passage of time, that can be fulfilled or otherwise removed by actions of the Organization pursuant to those stipulations or are subject to donor-imposed restrictions that are required to be maintained in perpetuity by the Organization. The Organization had no net assets with donor restrictions as of June 30, 2020.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

*SUMMARIZED COMPARATIVE FINANCIAL INFORMATION*

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2019, from which the summarized information was derived.

*CASH EQUIVALENTS*

All highly liquid investments with original maturities of three months or less when acquired are considered to be cash equivalents.

*RESTRICTED CASH*

Restricted cash represents child support payments collected from parents to be remitted to their respective children.

*RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH*

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the accompanying Statement of Financial Position that sum to the total of the same such amounts shown in the accompanying Statement of Cash Flows.

|   |                            |
|---|----------------------------|
| Cash and cash equivalents   | \$ 3,051,576               |
| Restricted cash   | <u>6,661</u>               |
| <b>Total Cash, Cash Equivalents, and Restricted Cash Presented<br/>in the Statement of Cash Flows as of June 30, 2020</b> | <b><u>\$ 3,058,237</u></b> |

Certain amounts in the 2019 summarized comparative statement of cash flows were reclassified to conform with the current year presentation.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

*CONCENTRATIONS OF CREDIT RISK*

Financial instruments which potentially expose the Organization to concentrations of credit risk consist principally of cash and cash equivalents (including restricted cash), certificates of deposit and grants, contracts and other receivables.

*Cash and Cash Equivalents (Including Restricted Cash) and Certificates of Deposit*

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of deposit accounts and certificates of deposit. The Organization had approximately \$2,823,000 in excess of insurance limits covered by the Federal Deposit Insurance Corporation (“FDIC”) as of June 30, 2020. The Organization maintains these balances in what it believes to be high quality financial institutions, which it believes limits its risk.

*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 necessary at June 30, 2020.

*FIXED ASSETS*

Fixed assets valued in excess of \$500 with a useful life over one year 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.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

***FIXED ASSETS (CONTINUED)***

The estimated useful lives of each asset group are as follows:

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

***CONTRIBUTIONS***

Contributions and gifts received with no restrictions or specified uses identified by the donor are included in revenue without donor restrictions in the accompanying Statement of Activities when received. Contributions received with donor stipulations that limit the use of donated assets are reported as revenue with donor restrictions in the accompanying Statement of Activities when received.

When donor restrictions expire or are fulfilled by actions of the Organization, with donor restriction net assets are reclassified as without donor restriction net assets and reported in the accompanying 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 without donor restriction revenue in the accompanying Statement of Activities.

***GRANTS FROM GOVERNMENT AGENCIES***

Grants from governmental agencies are recognized as revenue when the grant funds have been expended or in the period in which the Organization provides the service in accordance with the grant provisions of the respective agreements.

***DEFERRED REVENUE***

Deferred revenue represents advances to be used on future expenditures. Deferred revenue is recognized as revenue when the related expenditures are incurred.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 – 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 services are provided.

***FUND-RAISING ACTIVITIES***

The Organization's financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 "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 entity that solicits contributions.

Directly identifiable fund-raising expenses are charged to supporting services. Expenses related to more than one function are charged to supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

***ADVERTISING EXPENSES***

The Organization uses advertising to promote its Organization and to publicize its job postings. The costs of advertising are expensed as incurred. For the year ended June 30, 2020, the Organization incurred approximately \$9,000 on advertising expenses.

***FUNCTIONAL ALLOCATION OF EXPENSES***

The cost of providing the various programs and other activities has been detailed in the accompanying Statement of Functional Expenses and is summarized on a functional basis in the accompanying 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 an analysis of time spent and effort.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

***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 individuals possessing those skills and would typically need to be purchased if not provided by donations. For the year ended June 30, 2020, there were no material non-cash contributions.

Services provided by volunteers throughout the year are not recognized as contributions in the financial statements since these services are not susceptible to objective measurement or valuation.

***DEFERRED RENT***

The Organization records rent payments from operating leases, which generally call for escalating payments and free rents over the terms of the leases, on a straight-line basis over the lease term, as required in FASB ASC No. 840, *Leases*. The difference between the rent payments and straight-line basis of such rent is recorded as deferred rent.

***FAIR VALUE MEASUREMENTS***

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.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

***FAIR VALUE MEASUREMENTS (CONTINUED)***

***Level 2***

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

***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.

The Organization did not have any assets or liabilities requiring fair value measurement on a recurring basis as of June 30, 2020.

***INCOME TAXES***

The Organization received a determination from the Internal Revenue Service indicating that it is exempt from Federal income tax under Internal Revenue Code Section 501(c) (3) on all income except unrelated business income. For the year ended June 30, 2020, the Organization had no unrelated business income tax.

The Organization accounts for uncertainty in income taxes in accordance with GAAP, which requires recognition in the accompanying financial statements 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 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 had no material unrecognized tax benefits and no adjustments to its financial position, activities or cash flows were required. The Organization does not expect that unrecognized tax benefits will increase within the next twelve months.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

*INCOME TAXES (CONTINUED)*

The Organization did not record any interest or penalties on uncertain tax positions in the accompanying Statement of Financial Position as of June 30, 2020 or the accompanying Statement of Activities for the year then ended. If the Organization were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes.

*USE OF ESTIMATES*

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

*RECENT ACCOUNTING PRONOUNCEMENTS*

On November 16, 2017, FASB issued Accounting Standards Update (“ASU”) 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash*. This ASU applies to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. The amendments in this update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This ASU is applicable for the Organization for its annual reporting period beginning on July 1, 2019. Earlier application is permitted, however, the Organization did not early adopt the ASU. The Organization implemented this ASU effective July 1, 2019. The adoption did not have a significant impact on the Organization’s financial statements.

On June 21, 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU applies to all entities, including business entities that receive or make contributions of cash and other assets (except for transfers of assets from government entities to business entities). This ASU provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. A primary aspect of this determination is whether the two parties receive and



**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

***RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)***

sacrifice commensurate value. Making this determination is important because distinguishing between contributions and exchange transactions determines which guidance is applied. For contributions, an entity should follow the guidance in FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*, whereas, for exchange transactions, an entity should follow other guidance. This ASU is applicable for the Organization for its annual reporting period beginning on July 1, 2019. Earlier application is permitted, however, the Organization did not early adopt the ASU. The Organization implemented this ASU effective July 1, 2019. The adoption did not have a significant impact on the Organization's financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which amends the guidance relating to the definition of a lease, recognition of lease assets and liabilities on the balance sheet, and the related disclosure requirements. This ASU is applicable for the Organization for its annual reporting period beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Earlier application is permitted; however, the Organization did not early adopt the ASU. Management is currently in the process of evaluating the ASU for the potential impact on its financial statements upon adoption.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. This ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. This ASU does allow for early adoption. Management is in the process of evaluating the ASU for the potential impact on its consolidated financial statements upon adoption.

***SUBSEQUENT EVENTS***

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through January 11, 2021, the date the financial statements were available to be issued.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investments of its available funds. The Organization is positioned to adjust internal expenditures and subcontracted expenditures based on governmental funding levels providing the necessary cash flow and working capital. Monthly cash expenditures are relatively consistent due to the nature of the contractual relationships. In addition, the Organization maintains a line of which is available to draw upon as needed to maintain cash flow.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its contractual agreements, as well as the requirement to support those activities to be general expenditures. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, certificates of deposit and a line of credit. Refer to Note 6 for information regarding the Organization’s line of credit. Additionally, the Organization received funds from the Paycheck Protection Program (“PPP”) during 2020 (refer to Note 5).

In addition to financial assets available to meet general expenditures over the 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the accompanying Statement of Cash Flows which identifies the sources and uses of the Organization’s cash for the twelve months ended June 30, 2020.

As of June 30, 2020, the following financial assets could be readily made available within one year of the statement of financial position to meet general expenditures.

**Financial Assets Available to Meet General  
Expenditures over the Next 12 Months**

|   |                                   |
|---|-----------------------------------|
| Cash and cash equivalents               | \$ 3,051,576                      |
| Grants, contracts and other receivables | 170,005                           |
| Certificates of deposit                 | <u>361,131</u>                    |
| <b>Total Financial Assets</b>           | <b><u><u>\$ 3,582,712</u></u></b> |

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 3 – FIXED ASSETS**

Fixed assets at June 30, 2020 consist of the following:

|   |                                 |
|---|---------------------------------|
| Building and leasehold improvements             | \$ 131,162                      |
| Furniture, fixtures and equipment               | 745,200                         |
| Automobiles                                     | <u>408,450</u>                  |
|   | 1,284,812                       |
| Less: accumulated depreciation and amortization | <u>(938,289)</u>                |
| <b>Total</b>                                    | <b><u><u>\$ 346,523</u></u></b> |

Depreciation and amortization expense for the year ended June 30, 2020 amounted to approximately \$106,000.

**NOTE 4 – CITRUS CONTRACT**

The contract with Florida Department of Children and Families (the “Department”) ended with Our Kids of Miami-Dade/Monroe, Inc. (“Our Kids”) in 2019. Effective July 1, 2019, Citrus, a division of Citrus Health Care, was selected as the Child Welfare Community Based Care (“CBC”) Lead Agency for the Southern Region by the Department. The Department contracts with CBC Lead Agencies across the state to provide child welfare services in their local communities for children who have been abused, neglected and/or abandoned. Effective July 1, 2019, Citrus entered into an annual contract, which renews annually, with the Organization to act as its agent.

The Contract is a fixed-price and actual cost incurred reimbursement contract. Service fees earned by the Organization under the Contract amounted to approximately \$12,448,000, which amounts are included in government grants and contracts in the accompanying Statement of Activities, for the year ended June 30, 2020.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 5 – NOTE PAYABLE**

***PPP PROMISSORY NOTE***

On April 17, 2020, the Academy entered into a PPP promissory note for total proceeds of \$1,772,100, with a financial institution in relation to the recently enacted Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) administered by the U.S. Small Business Administration (“SBA”). In accordance with the requirements of the CARES Act, the Academy will use the proceeds of the note primarily for payroll and other allowable costs. Interest on the note accrues at 1.00% per annum and all principal and accrued interest is due and payable two years from the date of the note unless the loan is forgiven based on specific terms dictated by the SBA. On June 3, 2020, the Organization returned half of unspent loan proceeds to the financial institution. As of June 30, 2020, the outstanding principal on the PPP promissory note was \$886,058. For the year ended June 30, 2020, interest expense from the note was not significant. The Organization may apply to the lender for partial or full loan forgiveness as specified under the PPP rules on amounts due on the note equal to the sum of payroll costs, mortgage interest, lease payments and utility payments incurred during the 24 weeks following disbursement the note. Management is in the process of applying for loan forgiveness with its lender.

As of June 30, 2020, future maturities are as follows:

| For the Year Ending<br>June 30, | Amount                   |
|---------------------------------|--------------------------|
| 2021 (current)                  | \$ 389,689               |
| 2021 (long-term)                | <u>496,369</u>           |
| <b>Total</b>                    | <u><u>\$ 886,058</u></u> |

**NOTE 6 – LINE OF CREDIT**

On August 10, 2016, the Organization executed an unsecured line of credit for \$350,000 with a financial institution. The line of credit bears interest at the prime rate plus one point 6.5% as of June 30, 2020). During the year ended June 30, 2020, the Organization did not borrow against the line of credit. The line of credit expires August 2021.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 7 – EMPLOYEE BENEFIT PLAN**

The Organization offers a 403(b) Thrift Plan (the “Plan”) to its employees. Employees may enroll into the Plan upon hiring. Employees become eligible for employer contributions after completing one year of service with 1,000 or more hours worked and obtaining the age of twenty-one. Under the Plan, the Organization can make discretionary employer contributions. All contributions made by the Organization on behalf of employees become fully vested upon completing three years of service. Effective July 1, 2017, the Organization began matching up to 3% of employee compensation (increased to 5% effective July 1, 2020). For the year ended June 30, 2020, the Organization contributed approximately \$192,000 to the Plan.

**NOTE 8 - COMMITMENTS**

In December 2015, the Organization signed a 10-year lease for new office space under a non-cancellable operating lease. The new lease requires monthly escalating payments ranging from approximately \$42,000 to \$60,000 which began in March 2017.

Additionally, Organization leases office equipment under a non-cancelable operating lease, which expires in January 2022. The lease requires monthly lease payments of approximately \$11,000.

As of June 30, 2020, the estimated minimum annual non-cancelable commitments on these leases are as follows:

| For the Year Ending<br>June 30, | Amount              |
|---------------------------------|---------------------|
| 2021                            | \$ 729,000          |
| 2022                            | 685,000             |
| 2023                            | 641,000             |
| 2024                            | 664,000             |
| 2025                            | 684,000             |
| Thereafter                      | <u>1,184,000</u>    |
| <b>Total</b>                    | <u>\$ 4,587,000</u> |

Rent expense (including related maintenance costs) for all leases for the year ended June 30, 2020 amounted to \$608,000.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 9 - CONCENTRATIONS**

The Organization received approximately 95% of its government grant revenue from Citrus (Note 4) for the year ended June 30, 2020. As the revenue from Citrus is significant to the overall operations of the Organization, any significant reduction or loss of funding from Citrus may affect the Organization's ability to operate in its present form. Receivables from Citrus were approximately 10% of grants, contracts and other receivables as of June 30, 2020.

Receivables from a dependency drug court grant were approximately 61% of grants, contracts and other receivables as of June 30, 2020.

**NOTE 10 - CONTINGENCIES**

***FEDERAL, STATE, AND LOCAL GRANT PROGRAMS***

The Organization participates in federal, state and local 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 financial statements.

***LEGAL MATTERS***

The Organization is subject to legal proceedings and claims arising in the normal course of business. There are currently no pending legal proceedings to which the Organization is a party that management, after consulting with legal counsel, believes will have a material effect on the Organization's financial position or results of operations.

**NOTE 11 – CORONAVIRUS PANDEMIC**

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout the United States and around the world. As of January 11, 2021, the Organization is aware of changes in its operations as a result of COVID-19 but is uncertain of the impacts of those changes on its accompanying financial statements. The Organization has not experienced adverse impact to its financial statements as a result of COVID-19, however, there is uncertainty whether any disruption might occur, its duration, and hence the potential impact. Management is optimistic but is unable to estimate the net potential impact on the Organization's business as of the report date.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Family Resource Center of South Florida, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 11, 2021.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Family Resource Center of South Florida, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Family Resource Center of South Florida, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Miami, FL  
January 11, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM  
GUIDANCE AND CHAPTER 10.650 RULES OF THE AUDITOR GENERAL**

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

***Report on Compliance for Each Major Federal Program and State Project***

We have audited the compliance of Family Resource Center of South Florida, Inc. with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Family Resource Center of South Florida, Inc.'s major Federal program and State project for the year ended June 30, 2020. Family Resource Center of South Florida, Inc.'s major Federal program and State project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its Federal program and State project.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Family Resource Center of South Florida, Inc.'s major Federal programs and State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Those standards, Uniform Guidance, and Chapter 10.650, Rule of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about Family Resource Center of South Florida, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program and State project. However, our audit does not provide a legal determination of Family Resource Center of South Florida, Inc.'s compliance.

## ***Opinion on Each Major Federal Program and State Project***

In our opinion, Family Resource Center of South Florida, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal program and State project for the year ended June 30, 2019.

## ***Report on Internal Control Over Compliance***

Management of Family Resource Center of South Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Family Resource Center of South Florida, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program and State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.650, Rules of the Auditor General, 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.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*Marcum LLP*

Miami, FL  
January 11, 2021

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE**

**FOR THE YEAR ENDED JUNE 30, 2020**

| Federal/State Agency, Pass-through Entity                                   | CFDA/<br>CSFA No. | Contract | Services                    |
|---|-------------------|----------|-----------------------------|
| <b>Federal Awards</b>   |                   |          |                             |
| U.S. Department of Health and Human Services                                |                   |          |                             |
| Indirect Programs Passed Through:   |                   |          |                             |
| Citrus Health Network, Inc. Cluster:  |                   |          |                             |
| Promoting Safe and Stable Families  | 93.556            | N/A      | \$ 260,229                  |
| Temporary Assistance for Needy Families Block Grant                         | 93.558            | N/A      | 1,320,370                   |
| Child Welfare Services State Grants   | 93.645            | N/A      | 504,464                     |
| Foster Care - Title IV - E  | 93.658            | N/A      | 2,121,805                   |
| Adoption Assistance   | 93.659            | N/A      | 827,009                     |
| Social Services Block Grant   | 93.667            | N/A      | 92,188                      |
| Independent Living  | 93.674            | N/A      | 16,622                      |
| Medical Assistance Program  | 93.778            | N/A      | 221,666                     |
| State Matching Funds for Federal Awards:                                    |                   |          |                             |
| Promoting Safe and Stable Families  | 93.556            | N/A      | 39,969                      |
| Temporary Assistance for Needy Families Block Grant                         | 93.558            | N/A      | 1,332,814                   |
| Child Welfare Services State Grants   | 93.645            | N/A      | 168,880                     |
| Foster Care - Title IV - E  | 93.658            | N/A      | 3,920,401                   |
| Adoption Assistance   | 93.659            | N/A      | 429,072                     |
| Independent Living  | 93.674            | N/A      | 15,165                      |
| Medical Assistance Program  | 93.778            | N/A      | <u>221,683</u>              |
| Total Citrus Health Network, Inc. Cluster:                                  |                   |          | 11,492,335                  |
| Florida Department of Transportation  |                   |          |                             |
| Enhanced Mobility of Seniors and Individuals with Disabilities              | 20.513            | N/A      | 39,850                      |
| Department of Health and Human Services                                     |                   |          |                             |
| Substance Abuse and Mental Health Services                                  | 93.243            | N/A      | <u>315,050</u>              |
| <b>Total Federal Awards</b>   |                   |          | <b><u>\$ 11,847,235</u></b> |
| <b>State Financial Assistance</b>   |                   |          |                             |
| State of Florida Department of Children and Families                        |                   |          |                             |
| Indirect Program Passed Through:  |                   |          |                             |
| Citrus Health Network, Inc. Cluster:  |                   |          |                             |
| State Department of Children and Families Out of Home Supports              | 60.074            | N/A      | \$ 944,342                  |
| State Department of Children and Families CBC Purchase Therapeutic Services | 60.183            | N/A      | <u>11,529</u>               |
| <b>Total State Financial Assistance</b>                                     |                   |          | <b><u>955,870</u></b>       |
| <b>Total Federal Awards and State Financial Assistance</b>                  |                   |          | <b><u>\$ 12,803,105</u></b> |

*See notes to the schedule of expenditures of federal awards and state financial assistance.*

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

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

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the federal and state grant activity of the Organization for the year ended June 30, 2020.

**NOTE 2 – BASIS OF ACCOUNTING**

The Schedule is presented using GAAP, which is described in Note 1 to the Organization's financial statements. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 financial statements.

**NOTE 3 – INDIRECT COST RATE**

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

***FINANCIAL STATEMENTS***

|   |                                  |                            |  |
|---|----------------------------------|----------------------------|--|
| Type of auditors’ report issued:  | <b><i>UNMODIFIED OPINION</i></b> |                            |  |
| Internal control over financial reporting:  |                                  |                            |  |
| Material weakness(es) identified?   | ___ Yes                          | ___ <u>X</u> No            |  |
| Significant deficiency(ies) identified that are not considered to be material weakness(es)? | ___ Yes                          | ___ <u>X</u> None Reported |  |
| Noncompliance material to financial statement noted?  | ___ Yes                          | ___ <u>X</u> No            |  |

***FEDERAL PROGRAMS AND STATE PROJECTS***

|   |                                  |                 |  |
|---|----------------------------------|-----------------|--|
| Internal control over major Federal programs and State projects:  |                                  |                 |  |
| Material weakness(es) identified?   | ___ Yes                          | ___ <u>X</u> No |  |
| Significant deficiency(ies) identified that are not considered to be material weakness(es)?                           | ___ Yes                          | ___ <u>X</u> No |  |
| Type of auditor’s report issued on compliance for major Federal programs and State projects:                          | <b><i>UNMODIFIED OPINION</i></b> |                 |  |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance and Chapter 10.656? | ___ Yes                          | ___ <u>X</u> No |  |

Identification of major Federal programs and State projects:

|                           |  |
|---------------------------|--|
| <b><u>CFDA NUMBER</u></b> | <b><u>NAME OF FEDERAL PROGRAM OR CLUSTER</u></b> |
|---------------------------|--|

**Citrus Health Network, Inc. Cluster:**

|        |   |
|--------|---|
| 93.556 | Promoting Safe and Stable Families                  |
| 93.558 | Temporary Assistance for Needy Families Block Grant |
| 93.645 | Child Welfare Services State Grants                 |
| 93.658 | Foster Care - Title IV – E                          |
| 93.659 | Adoption Assistance                                 |
| 93.667 | Social Services Block Grant                         |
| 93.674 | Independent Living                                  |
| 93.778 | Medical Assistance Program                          |

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS (CONTINUED)**

| <u><b>CFDA NUMBER</b></u>                               | <u><b>NAME OF FEDERAL PROGRAM OR CLUSTER</b></u>    |
|---|---|
| <i>Citrus Health Network, Inc. Cluster - continued:</i> |   |
|   | State Matching Funds for Federal Awards:            |
| 93.556  | Promoting Safe and Stable Families                  |
| 93.558  | Temporary Assistance for Needy Families Block Grant |
| 93.645  | Child Welfare Services State Grants                 |
| 93.658  | Foster Care - Title IV – E                          |
| 93.659  | Adoption Assistance                                 |
| 93.674  | Independent Living                                  |
| 93.778  | Medical Assistance Program                          |

| <u><b>CSFA NUMBER</b></u>                   | <u><b>NAME OF STATE PROJECT</b></u>  |
|---|--|
| <i>Citrus Health Network, Inc. Cluster:</i> |  |
| 60.074                                      | State of Florida Department of Children and Families: Out of Home Supports                 |
| 60.183                                      | State of Florida Department of Children and CBC Purchase Therapeutic Services for Children |

Dollar threshold used to distinguish between type A and type B Federal programs: \$750,000

Dollar threshold used to distinguish between type A and type B State projects: \$300,000

Auditee qualified as low-risk auditee pursuant to Uniform Guidance?  X  Yes      No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**FAMILY RESOURCE CENTER OF  
SOUTH FLORIDA, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**SECTION III – FEDERAL PROGRAMS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

None.

**SECTION IV – PRIOR YEAR FINDINGS**

None.