FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC.

CONTENTS

MARCUM
ACCOUNTANTS ▲ ADVISORS

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, 2021, 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 2021 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, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenses of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is 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, 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated January 11, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, 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 December 15, 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
December 15, 2021

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020)

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 3,522,282	$ 3,051,576
Restricted cash	6,661	6,661
Grants, contracts and other receivables	155,527	170,005
Prepaid expenses	268,177	243,243
Total Current Assets	3,952,647	3,471,485
Fixed Assets, Net	388,987	346,523
Certificates of Deposit	500,687	361,131
Other Assets	40,000	40,000
Total Assets	$ 4,882,321	$ 4,219,139
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 126,146	$ 103,583
Accrued payroll and related taxes	793,413	714,737
Note payable, net of long-term maturities	--	389,689
Deferred revenue	1,102,098	22,000
Custodial accounts	6,661	6,661
Total Current Liabilities	2,028,318	1,236,670
Deferred rent	342,450	326,610
Note Payable, Net of Current Maturities	--	496,369
Commitments and Contingencies		
Net Assets - Without Donor Restrictions	2,511,553	2,159,490
Total Liabilities and Net Assets	$ 4,882,321	$ 4,219,139

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, 2021 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	2021	2020
Revenue, Other Support and Gains (Losses) - Without Donor Restrictions		
Government grants and contracts	$ 11,556,785	$ 13,124,239
Individual and corporate contributions	29,411	164,813
Foundation and private grants	67,372	105,298
Program service fees, interest and other	83,182	84,617
United Way allocations	81,755	81,324
Special events	77,631	4,051
	11,896,136	13,564,342
Gain (loss) on disposal of fixed assets	14,466	(304)
Gain on forgiveness of note payable	886,058	--
Total Revenue, Other Support and Gains (Losses) - Without Donor Restrictions	12,796,660	13,564,038
Expenses		
Program services:		
Family services	535,213	528,041
Full case management	9,327,782	10,376,117
Mental health services	698,118	459,107
SAMHSA services	350,988	333,568
Total program services	10,912,101	11,696,833
Supporting activities:		
General and administrative	1,232,711	1,247,193
Fundraising	299,785	342,023
Total supporting activities	1,532,496	1,589,216
Total Expenses	$ 12,444,597	$ 13,286,049
Change in Net Assets - Without Donor Restrictions	352,063	277,989
Net Assets - Without Donor Restrictions - Beginning	2,159,490	1,881,501
Net Assets - Without Donor Restrictions - Ending	$ 2,511,553	$ 2,159,490

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, 2021 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	Program Services					Supporting Activities				
	Family Services	Full Case Management	Mental Health Services	SAMHSA Services	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	2021	2020
Salaries	$ 323,054	$ 5,123,370	$ 458,872	$ 255,248	$ 6,160,544	$ 809,924	$ 181,020	$ 990,944	$ 7,151,488	$ 7,493,367
Benefits and taxes	96,270	1,487,393	88,091	52,520	1,724,274	164,235	29,566	193,801	1,918,075	1,821,102
Total Salaries and Related Expenses	419,324	6,610,763	546,963	307,768	7,884,818	974,159	210,586	1,184,745	9,069,563	9,314,469
Occupancy	43,174	715,875	18,503	18,503	796,055	46,306	9,252	55,558	851,613	873,893
Purchased services	--	626,124	--	--	626,124	--	--	--	626,124	1,085,422
Insurance	23,338	491,177	10,002	2,949	527,466	25,005	5,001	30,006	557,472	450,318
Equipment rental and maintenance	16,370	279,096	7,331	8,462	311,259	37,448	4,681	42,129	353,388	301,865
Office supplies, postage and printing	13,140	196,697	12,212	3,619	225,668	26,556	3,501	30,057	255,725	286,004
Professional and contractual fees	6,871	29,548	66,190	659	103,268	19,924	14,160	34,084	137,352	218,667
Depreciation and amortization	330	74,987	18,215	--	93,532	19,525	--	19,525	113,057	105,658
Travel	391	98,794	286	121	99,592	3,891	327	4,218	103,810	219,163
Telephone	6,564	65,645	3,794	2,552	78,555	12,540	860	13,400	91,955	77,604
Other expenses	64	51,946	28	28	52,066	4,255	255	4,510	56,576	55,347
Dues and subscriptions	1,747	14,506	1,228	31	17,512	28,450	7,152	35,602	53,114	20,225
Program supplies	2,762	23,810	9,158	454	36,184	393	4,085	4,478	40,662	84,154
Events and activities	--	--	--	--	--	--	39,648	39,648	39,648	98,279
Licenses and taxes	1,101	18,409	472	472	20,454	17,889	236	18,125	38,579	26,100
Transportation	--	26,264	--	--	26,264	8,997	--	8,997	35,261	39,491
Conference training	37	1,475	2,892	5,370	9,774	7,261	--	7,261	17,035	20,529
Advertising	--	2,666	844	--	3,510	112	41	153	3,663	8,861
Total	$ 535,213	$ 9,327,782	$ 698,118	$ 350,988	$ 10,912,101	$ 1,232,711	$ 299,785	$ 1,532,496	$ 12,444,597	$ 13,286,049

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, 2021 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	$ 352,063	$ 277,989
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	113,057	105,658
Gain on disposal of fixed assets	(14,466)	304
Gain on forgiveness of note payable	(886,058)	--
Change in operating assets and liabilities:		
Grants, contracts and other receivables	14,478	172,714
Prepaid expenses	(24,934)	36,292
Accounts payable and accrued expenses	22,563	(154,373)
Accrued payroll and related taxes	78,676	(416,343)
Deferred rent	15,840	42,132
Deferred revenue	1,080,098	22,000
Custodial accounts	--	(882)
Total Adjustments	399,254	(192,498)
Net Cash Provided by Operating Activities	751,317	85,491
Cash Flows From Investing Activities		
Acquisition of short-term investment	(139,556)	(8,918)
Proceeds from sale of fixed assets	22,500	25,218
Purchase of fixed assets	(163,555)	(6,550)
Net Cash Provided By (Used In) Investing Activities	(280,611)	9,750
Cash Flows From Financing Activities		
Proceeds from issuance of note payable	--	1,772,100
Repayment of note payable	--	(886,042)
Net Cash Provided By Financing Activities	--	886,058
Net Change in Cash, Cash Equivalents and Restricted Cash	470,706	981,299
Cash, Cash Equivalents and Restricted Cash - Beginning	3,058,237	2,076,938
Cash, Cash Equivalents and Restricted Cash - Ending	$ 3,528,943	$ 3,058,237

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

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, 2021, the Organization had net assets without donor restrictions as of $2,511,553.

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, 2021.

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, 2020, 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	$ 3,522,282
Restricted cash	6,661
Total Cash, Cash Equivalents, and Restricted Cash Presented in the Statement of Cash Flows as of June 30, 2021	$ 3,528,943
Supplemental Information	
Non cash financing activity	
Gain of forgiveness of note payable	$ 886,058

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 $3,343,000 in excess of insurance limits covered by the Federal Deposit Insurance Corporation ("FDIC") as of June 30, 2021. 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, 2021.

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.

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:

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

CONTRIBUTIONS

Unconditional 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. Unconditional 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 unconditional contributions when the grant funds have been expended or in the period in which the Organization meets the conditions of the respective grant agreements.

DEFERRED REVENUE

Deferred revenue represents advances received relating to future events. Deferred revenue is recognized as revenue when the performance obligation related to the event has been satisfied. Deferred revenue amounts are considered short term in nature and satisfied in the subsequent year.

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, 2021, the Organization incurred approximately $4,000 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.

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, 2021, 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.

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, 2021.

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, 2021, 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. There are currently no examinations pending or in progress. 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.

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, 2021 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

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, "*Revenue from Contracts with Customers (Topic 606)*", which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. This ASU outlines a single comprehensive model for recognizing revenue as performance obligations, defined in a contract with a customer as goods or services transferred to the customer in exchange for consideration, are satisfied. The standard also requires expanded disclosures regarding the Organization's revenue recognition policies and significant judgements employed in the determination of revenue. Effective July 1, 2020, the Organization adopted this ASU. Based on the Organization's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized with the new standard. No changes were required to previously reported revenues as a result of the adoption; therefore the adoption of this ASU did not have a significant impact on the 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 statement of financial position, 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 (per extension under ASU 2020-05). This ASU does allow for early adoption; however, the Organization did not early adopt the ASU. Management is in the process of evaluating the ASU for the potential impact on its financial statements upon adoption.

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

RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

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 financial statements upon adoption.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through December 15, 2021, the date the financial statements were available to be issued.

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 credit 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.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

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, 2021.

As of June 30, 2021, 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	$ 3,522,282
Grants, contracts and other receivables	155,527
Total Financial Assets	$ 3,677,809

NOTE 3 – FIXED ASSETS

Fixed assets at June 30, 2021 consist of the following:

Building and leasehold improvements	$ 131,162
Furniture, fixtures and equipment	750,102
Automobiles	467,527
	1,348,791
Less: accumulated depreciation and amortization	(959,804)
Total	$ 388,987

Depreciation and amortization expense for the year ended June 30, 2021 amounted to approximately $113,000.

NOTE 4 – CITRUS CONTRACT

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 $11,460,000, which amounts are included in government grants and contracts in the accompanying Statement of Activities, for the year ended June 30, 2021.

NOTE 5 – FORGIVENESS OF PAYCHECK PROTECTION PROGRAM PROMISSORY NOTE

On April 17, 2020, the Organization entered into a paycheck protection program ("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 Organization utilized the proceeds of the note primarily for payroll and other allowable costs. On June 3, 2020, the Organization returned half of unspent loan proceeds to the financial institution which caused the outstanding principal on the PPP promissory note to be $886,058. The Organization applied to the lender for loan forgiveness of the remaining balance as specified under PPP rules. On March 18, 2021, the Organization received full loan forgiveness of the promissory note of $886,058. Interest incurred through the date of forgiveness was insignificant.

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, 2021). During the year ended June 30, 2021, the Organization did not borrow against the line of credit. The line of credit expires August 2022.

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.

NOTE 7 – EMPLOYEE BENEFIT PLAN (CONTINUED)

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. For the year ended June 30, 2021, the Organization contributed approximately $273,000 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, the 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, 2021, the estimated minimum annual non-cancelable commitments on these leases are as follows:

For the Year Ending June 30,	Amount
2022	$ 685,000
2023	641,000
2024	664,000
2025	684,000
2026	705,000
Thereafter	479,000
Total	$ 3,858,000

Rent expense (including related maintenance costs) for all leases for the year ended June 30, 2021 amounted to $608,000.

NOTE 9 – CONCENTRATIONS

The Organization received approximately 99% of its government grant revenue from Citrus (Note 4) for the year ended June 30, 2021. 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 15% of grants, contracts and other receivables as of June 30, 2021.

Receivables from a dependency drug court grant and The Children's Trust were approximately 42% and 26%, respectively, of grants, contracts and other receivables as of June 30, 2021.

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 significant effect on the Organization's financial position or results of operations.

NOTE 11 – CORONAVIRUS PANDEMIC

The coronavirus outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. The Organization has been able to continue most of its operations in a disrupted environment and is making plans to adjust activities that cannot; however, at this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is evolving and uncertain. The Organization continues to operate and support its activities and mission as of December 15, 2021 the date the financial statements were available to be issued.

MARCUM
ACCOUNTANTS ▲ ADVISORS

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, 2021, 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 December 15, 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.

MARCUMGROUP
MEMBER

Marcum LLP ▪ One Southeast Third Avenue ▪ Suite 1100 ▪ Miami, Florida 33131 ▪ Phone 305.995.9600 ▪ Fax 305.995.9601 ▪ www.marcumllp.com

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
December 15, 2021

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Family Resource Center of South Florida, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Family Resource Center of South Florida, Inc.'s major Federal program for the year ended June 30, 2021. Family Resource Center of South Florida, Inc.'s major Federal program is 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 statutes, regulations, and the terms and conditions of its federal awards applicable to its Federal programs.

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 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). Those standards and the Uniform Guidance 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 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 Family Resource Center of South Florida, Inc.'s major Federal program. 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

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 its major Federal program for the year ended June 30, 2021.

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 its major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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 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 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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

Miami, FL
December 15, 2021

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

Federal Agency, Pass-through Entity	Assistance Listing Number	Contract	Services
Federal Awards			
U.S. Department of Health and Human Services			
Indirect Programs Passed Through:			
Citrus Health Network, Inc.:			
Promoting Safe and Stable Families	93.556	N/A	$ 175,900
477 Cluster			
Temporary Assistance for Needy Families Block Grant	93.558	N/A	2,854,716
Total 477 Cluster			2,854,716
Grants To States For Access And Visitation Programs	93.597	N/A	8,331
Child Welfare Services State Grants	93.645	N/A	225,399
Foster Care - Title IV - E	93.658	N/A	5,959,431
Adoption Assistance	93.659	N/A	967,143
Social Services Block Grant	93.667	N/A	30,500
Medicaid Cluster			
Medical Assistance Program	93.778	N/A	597,374
Total Medicaid Cluster			597,374
Total U.S. Department of Health and Human Services			10,818,794
U.S. Department of Transportation			
Indirect Programs Passed Through:			
Florida Department of Transportation			
Transit Services Program Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	N/A	234,130
Total Transit Services Cluster			234,130
Department of Health and Human Services			
Substance Abuse and Mental Health Services	93.243	N/A	359,441
Total Federal Awards			$11,412,365

See notes to the schedule of expenditures of federal awards.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the federal grant activity of the Organization for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

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, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	***UNMODIFIED OPINION***		
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	None Reported
Noncompliance material to financial statement noted?	____ Yes	X	No

FEDERAL PROGRAMS

Internal control over major Federal programs:			
Material weakness(es) identified?	____ Yes	X	No
Significant deficiency(ies) identified that are not not considered to be material weakness(es)?	____ Yes	X	None Reported
Type of auditors' report issued on compliance for major Federal programs:	***UNMODIFIED OPINION***		
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	____ Yes	X	No

Identification of major Federal program:

ASSISTANCE LISTING NUMBER	***NAME OF FEDERAL PROGRAM***
U.S. Department of Health and Human Services:	
93.658	Foster Care - Title IV – E

FAMILY RESOURCE CENTER OF SOUTH FLORIDA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS (CONTINUED)

Dollar threshold used to distinguish between type A and type B Federal programs:	$750,000			
Auditee qualified as low-risk auditee pursuant to Uniform Guidance?	X	Yes	____	No

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL PROGRAMS FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – PRIOR YEAR FINDINGS

None.