

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

**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.

Opinion

We have audited the financial statements of Family Resource Center of South Florida, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Family Resource Center of South Florida, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Resource Center of South Florida, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but it not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards 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), 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. The 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 of Summarized Comparative Information

We have previously audited Family Resource Center of South Florida, Inc.'s June 30, 2021 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 20, 2022 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 solely 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 the effectiveness of Family Resource Center of South Florida, Inc.'s internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Family Resource Center of South Florida, Inc.'s internal control over financial reporting and compliance.

Marcum LLP

Miami, FL
December 20, 2022

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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021)

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,350,699	\$ 3,522,282
Restricted cash	6,661	6,661
Grants, contracts and other receivables	102,415	155,527
Prepaid expenses	305,678	268,177
Total Current Assets	3,765,453	3,952,647
Fixed Assets, Net	353,076	388,987
Certificates of Deposit	501,060	500,687
Other Assets	40,000	40,000
Total Assets	\$ 4,659,589	\$ 4,882,321
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 253,717	\$ 126,146
Accrued payroll and related taxes	764,841	793,413
Deferred revenue	726,070	1,102,098
Custodial accounts	6,661	6,661
Total Current Liabilities	1,751,289	2,028,318
Deferred rent	334,518	342,450
Commitments and Contingencies		
Net Assets - Without Donor Restrictions	2,573,782	2,511,553
Total Liabilities and Net Assets	\$ 4,659,589	\$ 4,882,321

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, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022	2021
Revenue, Other Support and Gains - Without Donor Restrictions		
Government grants and contracts	\$ 12,258,726	\$ 11,556,785
In-kind contributions	120,442	11,249
Special events	107,552	77,631
United Way allocations	80,634	81,755
Foundation and private grants	74,552	67,372
Individual and corporate contributions	35,755	18,162
Program service fees, interest and other	32,874	83,182
	12,710,535	11,896,136
Gain on disposal of fixed assets	52,986	14,466
Gain on forgiveness of note payable	--	886,058
Total Revenue, Other Support and Gains - Without Donor Restrictions	12,763,521	12,796,660
Expenses		
Program services:		
Family services	529,036	535,213
Full case management	9,420,048	9,327,782
Mental health services	650,610	698,118
SAMHSA services	421,740	350,988
Total program services	11,021,434	10,912,101
Supporting activities:		
General and administrative	1,367,642	1,232,711
Fundraising	312,216	299,785
Total supporting activities	1,679,858	1,532,496
Total Expenses	12,701,292	12,444,597
Change in Net Assets - Without Donor Restrictions	62,229	352,063
Net Assets - Without Donor Restrictions - Beginning	2,511,553	2,159,490
Net Assets - Without Donor Restrictions - Ending	\$ 2,573,782	\$ 2,511,553

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, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

	Program Services					Supporting Activities			2022	2021
	Family Services	Full Case Management	Mental Health Services	SAMHSA Services	Total Program Services	General and Administrative	Fundraising	Total Supporting Services		
Salaries	\$ 321,672	\$ 5,196,101	\$ 427,340	\$ 297,841	\$ 6,242,954	\$ 916,810	\$ 92,168	\$ 1,008,978	\$ 7,251,932	\$ 7,151,488
Benefits and taxes	89,883	1,318,919	91,245	65,316	1,565,363	167,429	27,384	194,813	1,760,176	1,918,075
Total Salaries and Related Expenses	411,555	6,515,020	518,585	363,157	7,808,317	1,084,239	119,552	1,203,791	9,012,108	9,069,563
Occupancy	43,071	723,519	17,975	18,805	803,370	46,064	9,276	55,340	858,710	851,613
Purchased services	--	543,598	--	--	543,598	--	--	--	543,598	614,875
Insurance	23,879	486,685	18,652	6,850	536,066	27,032	--	27,032	563,098	557,472
Equipment rental and maintenance	16,387	278,527	8,437	7,514	310,865	43,673	3,577	47,250	358,115	353,388
Office supplies, postage and printing	12,871	202,011	8,398	4,238	227,518	28,096	2,993	31,089	258,607	255,725
Travel	715	155,377	272	1,737	158,101	5,456	805	6,261	164,362	103,810
Professional and contractual fees	7,841	37,514	36,503	1,255	83,113	68,661	9,980	78,641	161,754	137,352
Events and activities	400	--	--	--	400	407	148,641	149,048	149,448	39,648
Telephone	6,402	115,099	3,571	3,796	128,868	12,386	1,370	13,756	142,624	91,955
In-kind expenses	--	120,442	--	--	120,442	--	--	--	120,442	11,249
Depreciation and amortization	--	84,868	18,033	--	102,901	9,122	--	9,122	112,023	113,057
Other expenses	343	69,671	147	147	70,308	5,433	192	5,625	75,933	56,576
Program supplies	3,320	15,994	13,949	378	33,641	425	6,305	6,730	40,371	40,662
Licenses and taxes	1,772	39,582	759	777	42,890	1,899	380	2,279	45,169	38,579
Dues and subscriptions	480	9,375	871	11	10,737	20,072	3,807	23,879	34,616	53,114
Transportation	--	18,331	--	--	18,331	9,219	--	9,219	27,550	35,261
Conference training	--	550	4,350	13,075	17,975	5,259	4,313	9,572	27,547	17,035
Advertising	--	3,885	108	--	3,993	199	1,025	1,224	5,217	3,663
Total	<u>\$ 529,036</u>	<u>\$ 9,420,048</u>	<u>\$ 650,610</u>	<u>\$ 421,740</u>	<u>\$ 11,021,434</u>	<u>\$ 1,367,642</u>	<u>\$ 312,216</u>	<u>\$ 1,679,858</u>	<u>\$ 12,701,292</u>	<u>\$ 12,444,597</u>

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, 2022

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

	2022	2021
Cash Flows From Operating Activities		
Change in net assets	\$ 62,229	\$ 352,063
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	112,023	113,057
Gain on disposal of fixed assets	(52,986)	(14,466)
Gain on forgiveness of note payable	--	(886,058)
Change in operating assets and liabilities:		
Grants, contracts and other receivables	53,112	14,478
Prepaid expenses	(37,501)	(24,934)
Accounts payable and accrued expenses	127,571	22,563
Accrued payroll and related taxes	(28,572)	78,676
Deferred rent	(7,932)	15,840
Deferred revenue	(376,028)	1,080,098
Total Adjustments	(210,313)	399,254
Net Cash Provided by (Used In) Operating Activities	(148,084)	751,317
Cash Flows From Investing Activities		
Acquisition of short-term investment	(373)	(139,556)
Proceeds from sale of fixed assets	85,768	22,500
Purchase of fixed assets	(108,894)	(163,555)
Net Cash Used In Investing Activities	(23,499)	(280,611)
Net Change in Cash, Cash Equivalents and Restricted Cash	(171,583)	470,706
Cash, Cash Equivalents and Restricted Cash - Beginning	3,528,943	3,058,237
Cash, Cash Equivalents and Restricted Cash - Ending	<u>\$ 3,357,360</u>	<u>\$ 3,528,943</u>

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, 2022

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, 2022, the Organization had net assets without donor restrictions as of \$2,573,782.

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, 2022.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

**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, 2021, 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	\$ 3,350,699
Restricted cash	<u>6,661</u>
Total Cash, Cash Equivalents, and Restricted Cash Presented in the Statement of Cash Flows as of June 30, 2022	<u><u>\$ 3,357,360</u></u>

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

**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 \$3,019,000 in excess of insurance limits covered by the Federal Deposit Insurance Corporation (“FDIC”) as of June 30, 2022. 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, 2022.

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, 2022

**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

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.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

**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, 2022, the Organization incurred approximately \$5,000 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, 2022

**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 donations of services are recognized as contributions 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. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value of the donation. For the year ended June 30, 2022, there was approximately \$120,000 in non-cash contributions.

For the year ended June 30, 2022, contributed goods and services consisted of:

Program or Supporting Service	Donated Amounts
Bowling Event	\$ 11,693
Art from the Heart	102,210
Holiday Drive	2,757
Corporation	2,632
Individual	<u>1,150</u>
Total	<u>\$ 120,442</u>

All donated services and assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets.

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.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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

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.

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, 2022.

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, 2022, the Organization had no unrelated business income tax.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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

INCOME TAXES (CONTINUED)

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.

The Organization did not record any interest or penalties on uncertain tax positions in the accompanying Statement of Financial Position as of June 30, 2022 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 February 2016, the FASB issued Accounting Standards Update (“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.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

**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. The Organization adopted the ASU during the year ended June 30, 2022 and it did not have a significant 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 20, 2022, 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 5 for information regarding the Organization's line of credit.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2022.

As of June 30, 2022, 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	\$ 3,350,699
Grants, contracts and other receivables	<u>102,415</u>
Total Financial Assets	<u><u>\$ 3,453,114</u></u>

NOTE 3 – FIXED ASSETS

Fixed assets at June 30, 2022 consist of the following:

Building and leasehold improvements	\$ 131,162
Furniture, fixtures and equipment	739,100
Automobiles	<u>379,520</u>
	1,249,782
Less: accumulated depreciation and amortization	<u>(896,706)</u>
Total	<u><u>\$ 353,076</u></u>

Depreciation and amortization expense for the year ended June 30, 2022 amounted to approximately \$112,000.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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 \$11,270,000, which amounts are included in government grants and contracts in the accompanying Statement of Activities, for the year ended June 30, 2022.

NOTE 5 – 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, 2022). During the year ended June 30, 2022, the Organization did not borrow against the line of credit. The line of credit expires August 2023.

NOTE 6 – 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. For the year ended June 30, 2022, the Organization contributed approximately \$182,000 to the Plan.

NOTE 7 – 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 November 2023. The lease requires monthly lease payments of approximately \$12,000.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7 – COMMITMENTS

As of June 30, 2022, the estimated minimum annual non-cancelable commitments on these leases are as follows:

For the Year Ending June 30,	Amount
2023	\$ 779,000
2024	710,000
2025	684,000
2026	705,000
2027	479,000
Thereafter	<u> --</u>
Total	<u>\$ 3,357,000</u>

Rent expense (including related maintenance costs) for all leases for the year ended June 30, 2022 amounted to \$608,000.

NOTE 8 – CONCENTRATIONS

The Organization received approximately 92% of its government grant revenue from Citrus (Note 4) for the year ended June 30, 2022. 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 1% of grants, contracts and other receivables as of June 30, 2022.

Receivables from a dependency drug court grant and The Children's Trust were approximately 28% and 70%, respectively, of grants, contracts and other receivables as of June 30, 2022.

NOTE 9 – 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.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 – CONTINGENCIES (CONTINUED)

FEDERAL, STATE, AND LOCAL GRANT PROGRAMS (CONTINUED)

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.

**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
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 statements of financial position as of June 30, 2022, 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 20, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as item SD2022-001 that we consider to be significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 test disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item SD2022-001.

Organization's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express an opinion on the response.

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 the Organization'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 20, 2022

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

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

Report on Compliance for The Major Federal Program

Opinion on Compliance for The Major Federal Program

We have audited Family Resource Center of South Florida, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major Federal program for the year ended June 30, 2022. The Organization's major Federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2022.

Basis for Opinion on The Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit 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). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards and the Uniform Guidance, we:

- exercise professional judgement and maintain professional skepticism throughout the audit
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item SD2022-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in the internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in the internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item SD2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in our audit of compliance and, accordingly, we express no opinion on the response.

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 20, 2022

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

Federal Agency, Pass-through Entity/ Program Title/ Cluster	Assistance Listing Number	Contract	Federal Expenditures
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	\$ 407,201
477 Cluster			
Temporary Assistance for Needy Families Block Grant	93.558	N/A	<u>2,318,183</u>
Total 477 Cluster			<u>2,318,183</u>
Grants To States For Access And Visitation Programs	93.597	N/A	8,331
Child Welfare Services State Grants	93.645	N/A	1,091,809
Foster Care - Title IV - E	93.658	N/A	5,605,257
Adoption Assistance	93.659	N/A	886,184
Social Services Block Grant	93.667	N/A	34,400
Independent Living	93.674	N/A	<u>325,752</u>
Total U.S. Department of Health and Human Services			<u>10,677,117</u>
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	<u>182,730</u>
Total Transit Services Cluster			<u>182,730</u>
Department of Health and Human Services			
Substance Abuse and Mental Health Services	93.243	N/A	<u>416,064</u>
Total Federal Awards			<u><u>\$11,275,911</u></u>

See notes to the schedule of expenditures of federal awards.

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. 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, 2022

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued:	<i>UNMODIFIED OPINION</i>		
Internal control over financial reporting:			
Material weakness(es) identified?	___ Yes	___ <u>X</u> No	
Significant deficiency(ies) identified?	___ Yes	___ <u>X</u> None	Reported
Noncompliance material to financial statement noted?	___ Yes	___ <u>X</u> No	

FEDERAL PROGRAM

Internal control over major Federal program:			
Material weakness(es) identified?	___ Yes	___ <u>X</u> No	
Significant deficiency(ies) identified?	<u>X</u> Yes	___ None	Reported

Type of auditors’ report issued on compliance for major Federal program:	<i>UNMODIFIED OPINION</i>		
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Any audit findings disclosed that are required to be reported in accordance with 2 CRF 200.516(a)?	___ Yes	___ <u>X</u> No	
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Identification of major Federal program:

ASSISTANCE

<u>LISTING NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>
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U.S. Department of Health and Human Services:

93.658	Foster Care - Title IV – E
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**FAMILY RESOURCE CENTER OF
SOUTH FLORIDA, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

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 – OTHER MATTERS

Significant Deficiency

SD2022-001 NON-COMPLIANCE-CHILD WELFARE CASE MANAGER CERTIFICATION (ALN 93.658)

Criteria

Family Resource Center of South Florida, Inc. (the "Organization") is required to comply with the terms noted in Contract #21-02 with Citrus Health Network, Inc. d/b/a Citrus Family Care Network ("CFCN"). As noted in Attachment 1 - Scope of Work, Section II A.2 of this agreement, the granting agency requires "all case managers must possess the Child Welfare Care Manager Certification."

Condition

During the compliance testing, the auditor noted one discrepancy, out of a sample of 20 selections tested. Marcum noted the case manager tested had a lapse in the Child Welfare Care Manager Certification from October 31, 2021 through February 3, 2022. During this time, the case manager was performing home visits. Upon discovery of lapse certification the Child Welfare Case Manager was notified to immediately cease performing duties that required a certification.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

SECTION IV – OTHER MATTERS (CONTINUED)

Significant Deficiency (continued)

SD2022-001 NON-COMPLIANCE-CHILD WELFARE CASE MANAGER CERTIFICATION (ALN 93.658) (continued)

Cause

After discussion with the Organization and review of supporting documentation provided, it appears there was an administrative error when the certification renewal was submitted. Payment was made to the Florida Certification Board timely, however the Florida Certification Board misapplied the payment. Verification that the payment was applied correctly, by the Florida Certification Board, was not performed by the Organization in a timely manner.

Effect

Failure to ensure all case managers are properly certified results in the Organization being out of compliance with the requirements set forth in the underlying grant contracts and could impact their ability to obtain additional awards.

Recommendation

The Organization should ensure that adequate internal control procedures are in place to ensure that all certifications are considered active and renewed on a timely basis. These controls should include timely review and communication of expired certifications to all appropriate individuals.

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

SECTION V – PRIOR YEAR FINDINGS

None.



FAMILY RESOURCE CENTER

OF SOUTH FLORIDA, INC.

*Providing Child Welfare,
Adoption & Community
Mental Health Services*

Finding: SD2022-001
Non-compliance – Child Welfare Case Manager Certification (ALN#93.658)

Accountable Owner: Yissel Fernandez, Director of Quality Assurance / Quality Improvement

BOARD OF DIRECTORS

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Kai Jacobs, Esq.

Timothy Moore, Esq.

Sharon Walker, Esq.
Past Chairwoman

Anticipated Completion Date: January 1, 2023

Action Steps:

Betty Constant, Quality Assurance Specialist has added all staff with a certification to the Florida Certification Board online system. Three days post submittal of recertification and payment requirements, Betty Constant is verifying certification were renewed. On an on-going basis all staff certifications are reviewed bi-monthly through the portal by Betty Constant. Payments will be made via credit card on the Florida Certification Board on-line portal.

New procedures will go into effect starting January 1, 2023.

ADVISORY BOARD

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EXECUTIVE DIRECTOR

Oren Wunderman, Ph.D.