

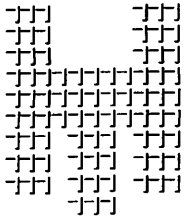
THE CHILDREN'S PLACE AT HOME SAFE, INC

**REPORT ON AUDIT OF
CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2011
(with comparable totals for 2010)**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Cash Flows	5-6
Consolidated Statement of Functional Expenses	7-8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9-20
INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL AND COMPLIANCE	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21-22
Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	23-24
Schedule of Findings and Questioned Costs	25-26
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	27
Notes to Schedule of Expenditures of Federal Awards	28
Consolidating Financial Statements	29-30



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Children's Place at Home Safe, Inc.
Lake Worth, Florida

We have audited the accompanying consolidated statement of financial position of The Children's Place at Home Safe, Inc. (a nonprofit organization) as of June 30, 2011, and the related consolidated statements of activities, cash flows and functional expenses, for the year then ended. These consolidated financial statements are the responsibility of The Children's Place at Home Safe, Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from The Children's Place at Home Safe, Inc.'s 2010 consolidated financial statements and, in our report dated November 17, 2010, we expressed an unqualified opinion on those consolidated financial statements.

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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Children's Place at Home Safe, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Children's Place at Home Safe, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2011 on our consideration of The Children's Place at Home Safe, Inc.'s internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of The Children's Place at Home Safe, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic consolidated financial statements. In addition, the consolidating financial statements are presented for purposes of additional analysis and are also not a required part of the basic consolidated financial statements. The schedule of expenditures of federal awards and consolidating financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Holyfield & Thomas, LLC

West Palm Beach, Florida
November 22, 2011

THE CHILDREN'S PLACE AT HOME SAFE, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of June 30, 2011
(with comparable totals for 2010)

ASSETS	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 298,464	\$ 254,535
Accounts receivable	725,162	606,364
Pledges receivable, net	317,083	402,865
Prepaid expenses	86,098	74,318
Property and equipment, net	8,196,331	8,472,522
Split interest agreements	504,089	425,820
Deposits	21,524	14,868
Investments	<u>2,301,959</u>	<u>2,103,566</u>
Total assets	<u>\$ 12,450,710</u>	<u>\$ 12,354,858</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 154,180	\$ 182,250
Accrued expenses	501,575	427,297
Other liabilities	3,137	39,026
Line of credit	<u>462,590</u>	<u>482,214</u>
Total liabilities	<u>1,121,482</u>	<u>1,130,787</u>
Net assets:		
Unrestricted	8,635,183	8,642,917
Temporarily restricted	594,900	482,009
Permanently restricted	<u>2,099,145</u>	<u>2,099,145</u>
Total net assets	<u>11,329,228</u>	<u>11,224,071</u>
Total liabilities and net assets	<u>\$ 12,450,710</u>	<u>\$ 12,354,858</u>

See accompanying notes to consolidated financial statements.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011
(with comparable totals for 2010)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2011 Totals	2010 Totals
Revenues and support:					
Program service	\$ 4,162,981	\$ -	\$ -	\$ 4,162,981	\$ 3,891,291
Grants	2,715,763	-	-	2,715,763	2,323,689
Contributions	397,996	292,987	-	690,983	798,349
Special event revenue	167,597	-	-	167,597	389,700
Investment income	108,180	190,811	-	298,991	130,912
Change in split interest agreements	-	78,269	-	78,269	(31,446)
Other income	2,226	-	-	2,226	2,803
Total revenues and support	7,554,743	562,067	-	8,116,810	7,505,298
Net assets released from restrictions	449,176	(449,176)	-	-	-
	8,003,919	112,891	-	8,116,810	7,505,298
Expenses:					
Program services	7,122,144	-	-	7,122,144	6,744,550
Supporting services:					
Management and general	569,661	-	-	569,661	548,273
Fundraising	319,848	-	-	319,848	575,093
Total expenses	8,011,653	-	-	8,011,653	7,867,916
Change in net assets	(7,734)	112,891	-	105,157	(362,618)
Net assets, beginning	8,642,917	482,009	2,099,145	11,224,071	11,586,689
Net assets, end	\$ 8,635,183	\$ 594,900	\$ 2,099,145	\$ 11,329,228	\$ 11,224,071

See accompanying notes to consolidated financial statements.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2011
(with comparable totals for 2010)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash received from government grants and contracts	\$ 2,596,965	\$ 2,296,298
Cash received from program services	4,162,981	3,891,291
Cash received from contributions and support	944,362	1,365,832
Cash paid to suppliers and employees	(7,646,375)	(7,537,042)
Other income	2,226	2,803
Interest received	64,279	55,252
Interest paid	<u>(24,473)</u>	<u>(22,956)</u>
Net cash provided by operating activities	<u>99,965</u>	<u>51,478</u>
Cash flows from investing activities:		
Purchase of property and equipment	(72,731)	(47,240)
Purchase of investments	(248,529)	(729,700)
Proceeds from sale of investments	<u>284,848</u>	<u>675,013</u>
Net cash used in investing activities	<u>(36,412)</u>	<u>(101,927)</u>
Cash flows from financing activities:		
Net borrowings (payments) on line of credit	(19,624)	129,000
Repayment of term loan payable	<u>-</u>	<u>(23,498)</u>
Net cash provided by (used in) financing activities	<u>(19,624)</u>	<u>105,502</u>
Net change in cash and cash equivalents	43,929	55,053
Cash and cash equivalents, beginning	<u>254,535</u>	<u>199,482</u>
Cash and cash equivalents, end	<u><u>\$ 298,464</u></u>	<u><u>\$ 254,535</u></u>

See accompanying notes to consolidated financial statements.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2011
(with comparable totals for 2010)

	<u>2011</u>	<u>2010</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 105,157	\$ (362,618)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	348,922	344,592
Realized and change in unrealized gains	(234,712)	(75,660)
Decrease (increase) in certain assets:		
Accounts receivable	(118,798)	(27,391)
Pledges receivable	85,782	15,988
Prepaid expenses	(11,780)	1,645
Split interest agreements	(78,269)	31,446
Deposits	(6,656)	(342)
Increase (decrease) in certain liabilities:		
Accounts payable	(28,070)	42,875
Accrued expenses	74,278	84,417
Other liabilities	(35,889)	(3,474)
Net cash provided by operating activities	<u>\$ 99,965</u>	<u>\$ 51,478</u>

See accompanying notes to consolidated financial statements.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2011
(with comparable totals for 2010)

	Program Services				
	Enhanced Group Home	Comprehensive Behavioral Health Assessment	Child Advocacy Center	Safety Net	Healthy Beginnings
Personnel expenses:					
Salaries and wages	\$ 560,312	\$ 43,198	\$ 29,957	\$ 174,427	\$ 1,546,549
Payroll taxes	45,297	3,312	2,387	12,530	121,526
Employee benefits	74,068	8,814	5,546	22,953	143,884
Total personnel expenses	679,677	55,324	37,890	209,910	1,811,959
Operating expenses:					
Insurance	20,688	496	9,260	2,364	22,641
Special events	-	-	-	-	-
Security	11,731	29	1,371	73	-
Program supplies	27,996	47	2,023	4,850	13,142
Meals	25,295	-	-	2,147	727
Utilities	27,219	853	36,827	2,130	3,686
Repairs and maintenance	35,972	428	15,116	1,399	4,454
Purchased services	482	147	2	5,783	1,700
Professional fees	22,860	64,412	1,121	3,641	43,575
Telephone	8,963	875	308	1,571	75,096
Printing and publications	28	2	2	6	2,302
Conferences and travel	13,565	323	-	449	54,778
Supplies	5,739	134	843	1,293	31,278
Donor recognition	-	-	-	1,123	22
Interest	-	-	-	-	-
Personnel	-	-	-	-	8,091
Postage	496	25	48	171	5,689
Other charges	195	7	13	43	2,242
Staff development	328	7	13	569	1,504
Rent	1,102	70	380	287	96,425
Dues and subscriptions	70	-	-	-	585
Depreciation	94,761	-	48,595	-	9,398
Licenses	2,181	40	1,477	123	542
Total expenses	\$ 979,348	\$ 123,219	\$ 155,289	\$ 237,932	\$ 2,189,836

See accompanying notes to consolidated financial statements.

<u>Program Services</u>						
Foster Family Support	Specialized Therapeutic Group Homes	Total Program Services	Management and General	Fundraising	2011 Totals	2010 Totals
\$ 211,621	\$ 1,942,746	\$ 4,508,810	\$ 295,059	\$ 199,516	\$ 5,003,385	\$ 4,687,134
16,536	153,827	355,415	20,265	15,311	390,991	367,111
24,548	277,157	556,970	10,718	17,557	585,245	620,283
252,705	2,373,730	5,421,195	326,042	232,384	5,979,621	5,674,528
3,812	67,757	127,018	15,217	3,015	145,250	148,051
-	-	-	-	21,872	21,872	172,050
97	14,949	28,250	1,697	190	30,137	30,981
3,927	92,578	144,563	616	-	145,179	157,270
182	70,006	98,357	116	-	98,473	96,351
2,887	64,217	137,819	12,884	1,043	151,746	149,228
1,880	67,211	126,460	15,191	1,794	143,445	144,959
412	1,038	9,564	15,697	6,977	32,238	33,721
5,883	100,817	242,309	39,167	22,785	304,261	322,508
5,153	39,604	131,570	14,858	2,914	149,342	115,062
20	159	2,519	603	2,682	5,804	11,494
9,798	47,424	126,337	19,384	2,980	148,701	134,241
1,613	24,928	65,828	15,047	7,182	88,057	131,942
500	-	1,645	829	2,228	4,702	2,486
-	-	-	24,473	-	24,473	22,956
491	-	8,582	11,147	291	20,020	23,532
252	1,933	8,614	775	599	9,988	10,270
70	787	3,357	2,487	1,414	7,258	10,092
1,558	1,408	5,387	9,365	1,373	16,125	14,085
434	4,294	102,992	1,122	330	104,444	93,145
35	315	1,005	5,857	2,459	9,321	9,179
533	160,155	313,442	35,480	-	348,922	344,592
165	10,803	15,331	1,607	5,336	22,274	15,193
\$ 292,407	\$ 3,144,113	\$ 7,122,144	\$ 569,661	\$ 319,848	\$ 8,011,653	\$ 7,867,916

See accompanying notes to consolidated financial statements.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended June 30, 2011

1. Organization and Summary of Significant Accounting Policies

Basis of Presentation: The accompanying financial statements reflect the consolidated financial statement of The Children's Place at Home Safe, Inc. (d/b/a "Home Safe) and The Children's Place at Home Safe Foundation, Inc. (the "Foundation"), (collectively the "Organization"), for which Home Safe has both control and economic interest, as defined in Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-810, *Consolidation*, issued by the American Institute of Certified Public Accountants. All significant inter-organization accounts and transactions have been eliminated.

Organization and Nature of Activities: Since 1979, Home Safe has served Palm Beach County's children, impacted by abuse, neglect, abandonment, substance abuse, HIV/AIDS and domestic violence. Home Safe is nationally accredited by the Council on Accreditation (COA) and is certified by Nonprofits First, signifying compliance with standards of excellence in operations and management. Annually, Home Safe's programs and services serve over 15,000 children and families. Home Safe is the only agency in Palm Beach County that offers a complete array of mental health services for victims of childhood trauma through Enhanced Therapeutic and Specialized Therapeutic Residential Programs. In addition to residential programs, a central part of Home Safe is the Violence Prevention and Intervention Program. The program offers a full spectrum of services for victims of family violence. Home Safe also operates a comprehensive Foster Family Licensing and Support Program, licensing foster homes, training foster parents, placing children in homes, and providing ongoing support. In addition, during 2009, Palm Beach County's Children's Services Council chose Home Safe to serve as the lead agency for the Healthy Beginnings system of care for children ages birth to age five.

The Foundation was organized and operates exclusively for the benefit of Home Safe. The objectives of the Foundation are: to promote the mission, services, programs and general nonprofit charitable activities of Home Safe; to solicit and accept gifts of money or property in order to carry out the mission of Home Safe; to hold and invest selected assets in furtherance of the nonprofit charitable purposes of Home Safe; and to fundraise and provide resource development.

The Organization receives contributions and grants from many individuals, corporations, foundations, civic organizations, and government agencies.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2011

1. Organization and Summary of Significant Accounting Policies, continued

Financial Statement Presentation: In accordance with FASB Accounting Standards Codification ("FASB ASC") 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Under the standard, contributions that are initially restricted as to time or use are required to be reported as temporarily restricted support and are later reclassified to unrestricted net assets upon expiration of the time or use restriction. If the restriction placed upon a contribution is met within the same accounting period as the receipt of the contribution, the standard permits both the contribution and the expense to be reported as unrestricted.

Under FASB ASC 958-205, the Organization reports information regarding its financial position and activities according to three classes of net assets described as follows:

Unrestricted Net Assets: this classification includes those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transaction (except income and gains on assets that are restricted by donors or by law) are included in the unrestricted net assets.

Temporarily Restricted Net Assets: this classification includes those net assets whose use by the Organization has been limited by donors to either later period of time, or after specified dates, or for a specified purpose.

Permanently Restricted Net Assets: this classification includes those net assets that must be maintained by the Organization in perpetuity. Permanently restricted net assets increase when the Organization receives contributions for which donor-imposed restrictions limiting the Organization's use of an asset or its economic benefits neither expire with the passage of time nor can be removed by the Organization meeting certain requirements.

Basis of Accounting: The consolidated financial statements of the Organizations have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash held in checking, certificate of deposit, and money market accounts, other than those held as a part of the Organization's investment portfolio.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2011

1. **Organization and Summary of Significant Accounting Policies, continued**

Accounts Receivable: Accounts receivable consists of amounts due to the Organization under various state and local grants and promises to give from United Way and other agencies. Provisions for doubtful accounts as of June 30, 2011 was deemed unnecessary because the amounts are considered to be fully collectible.

Unconditional Promises to Give: Pledges receivable and split interest agreements in the accompanying consolidated statement of financial position consist of donors' unconditional promises to give which are recognized at their net realizable value at the time the promises are received.

Property and Equipment and Depreciation: Property and equipment are recorded at cost for financial reporting purposes and depreciated using the straight-line method over the following useful lives:

Buildings and leasehold improvements	25-30 years
Furniture and equipment	5-15 years
Vehicles	5 years
Donated Property	5-39 years

Generally, all expenditures for land, buildings and equipment in excess of \$2,500 are capitalized. Exceptions to this policy result from requirements under grant agreements to capitalize property and equipment expenditures below the \$2,500 threshold. Expenditures for maintenance, repairs and minor renewals are charged to operations as incurred. Donated assets are recorded at their fair market value as unrestricted contributions, in the absence of donor-imposed restrictions, at the date of donation.

Investments: Investments are comprised of publically traded mutual funds, common stocks, corporate bonds, and a bank money market fund. The funds are invested for long-term investment return. Under FASB ASC 958-320, *Investments - Debt and Equity Securities*, investments in marketable securities with readily determinable fair values are reported at their fair values in the consolidated statement of financial position, with the amount of unrealized gains or losses on investments not previously recognized shown in the consolidated statement of activities.

Impairment of Long-lived Assets: In accordance with the provision of FASB ASC 360-10, the Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Contributions: All contributions are considered available for the general programs of the Organization, unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met within a single reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2011

1. **Organization and Summary of Significant Accounting Policies, continued**

In-kind Contributions and Contributed Services: In-kind contributions are reflected as contributions at their estimated fair value at date of donation. Non-monetary contributions are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. The Organization recognizes the fair value of contributed services received if such services (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 contributed. In addition, the Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs, fundraising campaigns, and management, however such services do not meet the criteria for financial statement recognition and are therefore not included herein.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and activities benefited.

Advertising Costs: Advertising costs are expensed as incurred. Total expense for the year ended June 30, 2011 was \$7,889, and consisted of recruiting advertising expenses. This amount is reported as personnel in the consolidated statement of functional expenses.

Income Taxes: Both organizations, Home Safe and the Foundation, are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and have been classified as publically supported organizations that are not private foundations under Section 509(a) of the Code. Income determined to be unrelated business taxable income (UBTI) would be taxable. There was no UBTI for the year ended June 30, 2011.

On July 1, 2009, the Organization adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Organization assesses its income tax positions based on management's evaluation of the facts, circumstances and information available at the reporting date. The Organization uses the prescribed more likely than not threshold when making its assessment. At adoption, the Organization did not record any cumulative effect adjustment, and the Organization did not accrue any interest expense or penalties related to tax positions. There are currently no open Federal or State tax years under audit.

Prior Year Summarized Information: The consolidated 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2010, from which the summarized information was derived.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended June 30, 2011

2. Program Services

The following is a description of the programs of Home Safe:

<i>Enhanced Group Home</i>	Provides an intensive, community-based, licensed residential group home setting for children and adolescent boys, aged 13 through 18, who have a combination of emotional and behavioral problems and/or delinquency involvement. The Program provides mental health, substance abuse, and supportive services designed to meet the behavioral health treatment needs of victims of childhood trauma.
<i>Comprehensive Behavioral Health Assessment</i>	An in-depth and detailed assessment of a child's emotional, social, behavioral and developmental functioning within the family home, school, and community.
<i>Child Advocacy Center</i>	Provides services to victims of child maltreatment and domestic violence victims.
<i>Safety Net</i>	Offers a full spectrum of services for victims of family violence including year-round adult, teen and child support groups, individual therapy, crisis intervention, preventative education and court advocacy.
<i>Healthy Beginnings</i>	Program screens, assesses and provides early intervention services to at-risk children from birth to age five throughout Palm Beach County. It ensures that identified needs are addressed through referrals to appropriate providers in the county.
<i>Foster Family Support</i>	Provides comprehensive foster family licensing and support, which includes licensing foster homes, training foster parents, placing children in homes, and providing ongoing support.
<i>Specialized Therapeutic Group Homes</i>	Provides an intensive, community-based, licensed residential group home setting for children and adolescents, ages 9 through 18, who have a moderate to severe emotional disturbance. The program also includes an array of mental health services that provide trauma-sensitive, innovative treatment to effectively respond to the complex and acute psychiatric and behavior issues brought about by the physical, sexual and emotional childhood trauma.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2011

3. Concentration of Credit Risk

The Organization uses several financial institutions to maintain its cash, which at times may exceed FDIC insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on such cash.

The Organization also holds investments in various accounts with financial and brokerage institutions. As of June 30, 2011, approximately 90% of the Organization's investments were held by one institution. Investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

4. Fair Value Measurements

FASB ASC 820-10 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

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

Level 3 – Inputs that are unobservable for the asset or liability.

Under FASB ASC 820-10, there are three general valuation techniques that may be used to measure fair value. There have been no changes in the methodology used as of June 30, 2011. The three approaches are as follows:

Market – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades, or other sources.

Cost – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

Income – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended June 30, 2011

4. Fair Value Measurements, continued

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The asset's 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 following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2011:

	Assets at Fair Value as of June 30, 2011			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash equivalents	\$ 145,657	\$ -	\$ -	\$ 145,657
Mutual funds	112,004	-	-	112,004
Common stocks	895,176	-	-	895,176
Fixed income securities	1,149,122	-	-	1,149,122
	2,301,959	-	-	2,301,959
Split interest agreements	-	-	504,089	504,089
	<u>\$2,301,959</u>	<u>\$ -</u>	<u>\$ 504,089</u>	<u>\$ 2,806,048</u>

The table below sets forth a summary of changes in the fair value of the Organization's level 3 assets for the year ended June 30, 2011.

	<u>Split Interest Agreements</u>
Balance, beginning of year	\$ 425,820
Total realized and unrealized gains	78,269
Contributions (settlements)	-
Balance, end of year	<u>\$ 504,089</u>

Assets classified using Level 1 inputs have been valued using a market approach. Assets classified using Level 3 inputs have been valued using a combination of the market and income approaches. There have been no changes in valuation techniques and related inputs.

The Organization had no other financial instruments with recurring fair value measurements.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended June 30, 2011

5. Accounts Receivable

Accounts receivable are deemed to be fully collectible by management and consist of the following as of June 30, 2011:

Medicaid	\$ 165,047
State of Florida, Office of Attorney General	7,556
Palm Beach County	27,109
Children's Services Council	188,221
ChildNet, Inc.	69,840
Child and Family Connections, Inc.	167,172
Other grants	<u>100,217</u>
Total accounts receivable	<u>\$ 725,162</u>

6. Pledges Receivable

Pledges receivable consist of the following as of June 30, 2011:

Capital campaign pledges receivable	\$ 55,000
Other pledges receivable	<u>264,065</u>
Total pledges receivable	319,065
Less discount on pledges	<u>1,982</u>
Net pledges receivable	<u>\$ 317,083</u>

Pledges receivable are collectible as follows:

In one year	\$ 284,065
In one to five years	<u>33,018</u>
	<u>\$ 317,083</u>

Pledges receivable have been discounted at a 6% annual rate of interest.

7. Property and Equipment

Property and equipment consist of the following as of June 30, 2011:

Land	\$1,004,475
Buildings and leasehold improvements	8,803,842
Furniture and equipment	934,465
Vehicles	162,831
Donated property	<u>98,060</u>
Total	11,003,673
Less accumulated depreciation	<u>2,807,342</u>
Property and equipment, net	<u>\$8,196,331</u>

THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2011

7. Property and Equipment, continued

The Organization leases land in Lake Worth from Palm Beach County for \$1 a year under a lease, which expires in 2025. Buildings were constructed on this land in prior years. Upon termination of the lease, the Organization must remove all personal property, removable fixtures, and equipment from the premises and surrender the premises to the County. Buildings and improvements for this property total \$1,498,405. Accumulated depreciation on these buildings and improvements was \$657,088 as of June 30, 2011.

8. Split Interest Agreements

Home Safe has been named the remainder beneficiary of four charitable remainder trusts. Each of the charitable remainder trusts provides for the payment of distributions of trust assets to the grantor's beneficiaries. Upon the death of the beneficiaries, a percentage of the remaining principal in the trusts will be distributed to Home Safe. A non-current asset for the charitable remainder trusts has been recognized at the present value of the expected future cash flows discounted at a rate of 2.80%. The expected future cash flow of \$504,089 is based on the fair market value of the trust's principal as of June 30, 2011. Changes in the value of the trust have been reported in the statement of activities as increases (decreases) in temporarily restricted net assets.

9. Line of Credit

During January 2007, Home Safe executed a \$1,000,000 bank line of credit agreement due and payable January 17, 2009. During January 2009, this agreement was modified, which reduced the amount of the line of credit to \$511,000 and extended the term to January 17, 2011. During January 2011, this agreement was modified, which increased the amount of the line of credit to \$700,000. The line of credit is secured by a mortgage on Home Safe's property located in Palm Beach County, Florida. As a result of the line of credit agreement modification, interest on the unpaid principal balance is payable at the bank's prime rate plus 0.05%, or 3.30% as of June 30, 2011.

10. Commitments and Contingencies

Leases: The Organization conducts its operations from facilities that are leased under operating leases expiring at various dates through 2013. Additionally, the Organization leases office equipment under operating leases expiring in 2013. Future minimum lease payments under operating leases are as follows:

2012	\$ 71,303
2013	19,218
2014	<u>7,616</u>
Total	<u>\$ 98,137</u>

Rent expense under operating leases amount to \$104,444 for the year ended June 30, 2011.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended June 30, 2011

10. Commitments and Contingencies, continued

Contingencies: Home Safe is currently receiving, and has received in the past, grants, Medicaid, and other third party reimbursement funds, which are subject to special compliance audits by the grantor and other agencies that provided these reimbursements. These audits may result in disallowed expense amounts.

Disallowed amounts, if any, constitute a contingent liability of Home Safe. Home Safe believes that any contingent liabilities that may exist are not material, and, therefore, are not reflected in the consolidated financial statements.

11. Uncertainty

On June 29, 2009, Home Safe was named a defendant in two potential claims relating to issues which originated in 2006. Should these claims result in a lawsuit, Home Safe is protected by the statutory caps on recovery and has insurance in place for such purposes. Home Safe is required by the State of Florida to carry general liability policies in a minimum of \$1 million per claim and \$3 million per incident. The statutory caps are \$1 million for net economic damages and \$200,000 for non-economic damages. Home Safe maintains coverage well in excess of these minimums and it is management's opinion that the ultimate liability, if any, from the final resolution of these matters will not have a material effect on the Organization's consolidated financial statements.

12. Retirement Plan

Eligible employees of the Organization may participate in an Internal Revenue Code 403(b) retirement savings plan. The plan also allows for the Organization to make discretionary matching contributions to eligible participants. The Organization did not contribute during the year ended June 30, 2011.

13. Temporarily Restricted Net Assets

As of June 30, 2011, temporarily restricted net assets consisted of:

Use restrictions	
Endowment for program operations	\$ 90,811
Time restrictions	
Split interest agreements	<u>504,089</u>
Total temporarily restricted net assets	<u>\$ 594,900</u>

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended June 30, 2011

14. Permanently Restricted Net Assets

As of June 30, 2011, permanently restricted net assets consisted of:

Endowment for program operations	\$1,099,145
Endowment for plant renewal, renovation and maintenance of the Sylvester campus	<u>1,000,000</u>
Total permanently restricted net assets	<u>\$2,099,145</u>

15. Endowments

The endowments consist of several individual funds established for a variety of purposes and are all held within the Foundation. The endowments are donor-restricted to be held for a specific purpose or in perpetuity and earnings on the endowments are temporarily restricted based on the donors' intent. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has adopted conservative investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments, while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation utilizes the services of a financial advisor that provides input into the investment strategy policy.

The Foundation's annual appropriations are at the discretion of the Board of Directors unless specific instructions are provided by the endowment donors.

The changes in endowment net assets for the year ended June 30, 2011 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets (deficiency), beginning	\$ (87,652)	\$ -	\$ 2,099,145	\$2,011,493
Investment return:				
Investment income	75,053	-	-	75,053
Investment expenses	(12,405)	-	-	(12,405)
Realized and change in unrealized gains	25,004	190,811	-	215,815
Appropriation for expenditure	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Endowment net assets, ending	<u>\$ -</u>	<u>\$ 90,811</u>	<u>\$ 2,099,145</u>	<u>\$ 2,189,956</u>

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

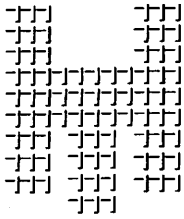
For the Year Ended June 30, 2011

15. Endowments, continued

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. There were no such funds as of June 30, 2011 that were below the level required by donors.

16. Subsequent Events

The Organization has evaluated subsequent events through November 22, 2011, which is the date the consolidated financial statements were available to be issued. Management is not aware of any events that have occurred subsequent to the consolidated statement of financial position date that would require adjustment to, or disclosure in, the consolidated financial statements.



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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
The Children's Place at Home Safe, Inc.
Lake Worth, Florida

We have audited the consolidated financial statements of The Children's Place at Home Safe, Inc. (the Organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated November 22, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Children's Place at Home Safe, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Children's Place at Home Safe, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

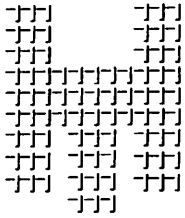
Compliance and Other Matters

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

This report is intended solely for the information and use of management, the audit committee, Board of Directors, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Holyfield & Thomas, LLC

West Palm Beach, Florida
November 22, 2011



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
The Children's Place at Home Safe, Inc. and
Lake Worth, Florida

Compliance

We have audited the compliance of The Children's Place at Home Safe, Inc. (the Organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Children's Place at Home Safe, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The Children's Place at Home Safe, Inc.'s management. Our responsibility is to express an opinion on The Children's Place at Home Safe, Inc.'s compliance based on our audit.

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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 The Children's Place at Home Safe, 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. Our audit does not provide a legal determination of The Children's Place at Home Safe, Inc.'s and The Children's Place at Home Safe Foundation, Inc.'s compliance with those requirements.

In our opinion, The Children's Place at Home Safe, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of The Children's Place at Home Safe, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered The Children's Place at Home Safe, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Children's Place at Home Safe, 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.

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

This report is intended for the information and use of management, the audit committee, Board of Directors, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Halyfield & Thomas, LLC

West Palm Beach, Florida
November 22, 2011

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2011

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal and State Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance on major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 501(a) of Circular A-133?	No
Major programs:	
CFDA Number	93.658
Name of Federal Program or Cluster:	U.S. Department of Health and Human Services Foster Care – Title IV
Major programs:	
Dollar Threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as a low-risk auditee?	Yes

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings reported for the year ended June 30, 2011.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs for the year ended June 30, 2011.

CORRECTIVE ACTION PLAN

There is no corrective action plan required, as there are no findings or question costs reported for the year ended June 30, 2011.

PRIOR YEAR FINDINGS

There were no prior audit findings for the year ended June 30, 2010, relative to federal awards requiring action on the part of the auditee for that fiscal year.

SUPPLEMENTARY INFORMATION

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2011

Federal Grantor Pass-through Entity Federal Program Title	CFDA Number	Award Number	Federal Expenditures
U.S. Department of Health and Human Services (DHHS)			
Pass-through Child and Family Connection, Inc.:			
Promoting Safe and Stable Families	93.556	RL001-10	\$ 1,169
Temporary Assistance for Needy Families	93.558	RL001-10	30,410
Title IV-B Child Welfare Services	93.645	RL001-10	7,679
Foster Care Title IV-E	93.658	RL001-10;GHHSB011;GHLIB-011	412,886
IV-E Adoption	93.659	RL001-10	22,309
Social Services Block Grant	93.667	GH008-10;GH005-10	261,711
Pass-through United for Families:			
Foster Care Title IV-E	93.658		10,001
Social Services Block Grant	93.667		7,963
Pass-through Hillsborough Kids, Inc.:			
Promoting Safe and Stable Families	93.556		1
Temporary Assistance for Needy Families	93.558		27
Title IV-B Child Welfare Services	93.645		7
Foster Care Title IV-E	93.658		9,572
IV-E Adoption	93.659		20
Social Services Block Grant	93.667		7,150
Pass-through Family Services of Metro Orlando.:			
Foster Care Title IV-E	93.658		16,486
Social Services Block Grant	93.667		10,778
Total DHHS			<u>798,169</u>
Total expenditures of federal awards			<u>\$ 798,169</u>

See independent auditor's report.

**THE CHILDREN'S PLACE AT HOME SAFE, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2011

1. Basis of Presentation

The purpose of the accompanying schedule of expenditures of federal awards is to present, in summary form, total federal award expenditures of The Children's Place at Home Safe, Inc. for the year ended June 30, 2011. The schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic consolidated financial statements.

2. Scope of Audit Pursuant to OMB Circular A-133

All federal grant operations of The Children's Place at Home Safe, Inc. are included in the scope of the Office of Management and Budget ("OMB") Circular A-133 Audit ("the Federal Single Audit"). The Federal Single Audit was performed in accordance with the provisions of the OMB Circular A-133 Compliance Supplement.

Programs tested as major federal programs were passed through the State of Florida Department of Children and Families via Child and Family Connections, Inc. and represent federal award programs with fiscal year 2011 expenditures totaling \$412,886. Programs tested ensure coverage of at least 25 percent of federally granted funds. Actual coverage is approximately 52 percent of total federal award program expenditures.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
As of June 30, 2011

	<u>Home Safe</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 271,979	\$ 26,485	\$ -	\$ 298,464
Accounts receivable	725,162	-	-	725,162
Pledges receivable, net	-	317,083	-	317,083
Prepaid expenses	66,949	19,149	-	86,098
Property and equipment, net	8,181,688	14,643	-	8,196,331
Split interest agreements	504,089	-	-	504,089
Deposits	21,524	-	-	21,524
Inter-organizational receivable	-	40,666	(40,666)	-
Investments	7,764	2,294,195	-	2,301,959
Total assets	<u>\$ 9,779,155</u>	<u>\$ 2,712,221</u>	<u>\$ (40,666)</u>	<u>\$ 12,450,710</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 147,274	\$ 6,906	\$ -	\$ 154,180
Accrued expenses	483,288	18,287	-	501,575
Other liabilities	3,137	-	-	3,137
Inter-organizational payable	40,666	-	(40,666)	-
Line of credit	462,590	-	-	462,590
Total liabilities	<u>1,136,955</u>	<u>25,193</u>	<u>(40,666)</u>	<u>1,121,482</u>
Net assets				
Unrestricted	8,194,300	440,883	-	8,635,183
Temporarily restricted	447,900	147,000	-	594,900
Permanently restricted	-	2,099,145	-	2,099,145
Total net assets	<u>8,642,200</u>	<u>2,687,028</u>	<u>-</u>	<u>11,329,228</u>
Total liabilities and net assets	<u>\$ 9,779,155</u>	<u>\$ 2,712,221</u>	<u>\$ (40,666)</u>	<u>\$ 12,450,710</u>

See independent auditor's report.

THE CHILDREN'S PLACE AT HOME SAFE, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

	<u>Home Safe</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Totals</u>
Revenues and support:				
Program service	\$ 4,162,981	\$ -	\$ -	\$ 4,162,981
Grants	2,715,763	-	-	2,715,763
Contributions	717,379	686,793	(713,189)	690,983
Special event revenue	-	167,597	-	167,597
Investment income (loss)	2,233	296,758	-	298,991
Change in split interest agreements	78,269	-	-	78,269
Other income	62,226	-	(60,000)	2,226
Total revenues and support	<u>7,738,851</u>	<u>1,151,148</u>	<u>(773,189)</u>	<u>8,116,810</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>7,738,851</u>	<u>1,151,148</u>	<u>(773,189)</u>	<u>8,116,810</u>
Expenses:				
Program expenses	7,122,144	713,189	(713,189)	7,122,144
Supporting services:				
Management and general	560,661	69,000	(60,000)	569,661
Fundraising	-	319,848	-	319,848
Total expenses	<u>7,682,805</u>	<u>1,102,037</u>	<u>(773,189)</u>	<u>8,011,653</u>
Change in net assets	56,046	49,111	-	105,157
Net assets, beginning	<u>8,586,154</u>	<u>2,637,917</u>	<u>-</u>	<u>11,224,071</u>
Net assets, end	<u>\$ 8,642,200</u>	<u>\$ 2,687,028</u>	<u>\$ -</u>	<u>\$ 11,329,228</u>

See independent auditor's report.