

MILAGRO FOUNDATION, INC.
d/b/a MILAGRO CENTER

FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

MILAGRO FOUNDATION, INC.
d/b/a MILAGRO CENTER

FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

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FALKINS & COMPANY
PROFESSIONAL ASSOCIATION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Milagro Foundation, Inc.

We have audited the accompanying statement of financial position of Milagro Foundation, Inc. (a nonprofit organization) (the "Organization") as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Organization as of December 31, 2009, were audited by other auditors whose opinion dated February 24, 2010, expressed an unqualified opinion on those 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*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Milagro Foundation, Inc. as of December 31, 2010 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 April 1, 2011 on our consideration of Milagro Foundation, 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 *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

April 1, 2011


FALKINS & COMPANY

MILAGRO FOUNDATION, INC.
d/b/a MILAGRO CENTER
STATEMENT OF FINANCIAL POSITION
December 31, 2010
(With Comparative Totals for December 31, 2009)

ASSETS

	2010	2009
ASSETS:		
Cash	\$ 98,923	\$ 31,277
Contract and grant receivables	15,465	16,072
Prepaid expenses	4,438	5,382
Property and equipment, net	757,494	775,915
Other assets	6,325	6,763
TOTAL ASSETS	\$ 882,645	\$ 835,409

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts payable and accrued expenses	\$ 21,053	\$ 26,962
Deferred revenue	-	500
Debt	582,726	601,435
Total liabilities	603,779	628,897

COMMITMENTS

NET ASSETS:		
Unrestricted	267,648	196,657
Temporarily restricted	11,218	9,855
Permanently restricted	-	-
Total net assets	278,866	206,512
TOTAL LIABILITIES AND NET ASSETS	\$ 882,645	\$ 835,409

See accompanying notes to financial statement

MILAGRO FOUNDATION, INC.
d/b/a MILAGRO CENTER
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2010 Total</u>	<u>2009 Total</u>
REVENUES AND OTHER SUPPORT:					
Contributions - corporate and foundation	\$ 164,774	\$ 14,180	\$ -	\$178,954	\$128,468
Contributions - other	62,544	-	-	62,544	43,881
In-Kind contributions	15,556	-	-	15,556	32,713
Contracts and grants	175,848	-	-	175,848	185,955
Tuition revenue	16,735	-	-	16,735	18,231
Fundraising revenue, net of direct expenses of \$17,934 and \$18,558 for 2010 and 2009, respectively	22,750	-	-	22,750	30,514
Rental income	39,168	-	-	39,168	38,000
Miscellaneous income	298	-	-	298	1,856
Net assets released from restrictions:					
Restrictions satisfied by payments	12,817	(12,817)	-	-	-
Total revenues and other support	510,490	1,363	-	511,853	479,618
EXPENSES AND LOSSES:					
Program services	276,424	-	-	276,424	294,570
Supporting services:					
Management and general	108,432	-	-	108,432	112,111
Fundraising	54,643	-	-	54,643	60,037
Total expenses	439,499	-	-	439,499	466,718
CHANGE IN NET ASSETS	70,991	1,363	-	72,354	12,900
NET ASSETS, beginning of year	196,657	9,855	-	206,512	193,612
NET ASSETS, end of year	\$ 267,648	\$ 11,218	\$ -	\$278,866	\$206,512

See accompanying notes to financial statements

MILAGRO FOUNDATION, INC.
d/b/a MILAGRO CENTER
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2010 Total</u>	<u>2009 Total</u>
REVENUES AND OTHER SUPPORT:					
Contributions - corporate and foundation	\$ 164,774	\$ 14,180	\$ -	\$ 178,954	\$ 128,468
Contributions - other	62,544	-	-	62,544	43,881
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Contracts and grants	175,848	-	-	175,848	185,955
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Rental income	39,168	-	-	39,168	38,000
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Restrictions satisfied by payments	12,817	(12,817)	-	-	-
Total revenues and other support	<u>510,490</u>	<u>1,363</u>	<u>-</u>	<u>511,853</u>	<u>479,618</u>
EXPENSES AND LOSSES:					
Program services	276,424	-	-	276,424	294,570
Supporting services:					
Management and general	108,432	-	-	108,432	112,111
Fundraising	54,643	-	-	54,643	60,037
Total expenses	<u>439,499</u>	<u>-</u>	<u>-</u>	<u>439,499</u>	<u>466,718</u>
CHANGE IN NET ASSETS	70,991	1,363	-	72,354	12,900
NET ASSETS, beginning of year	<u>196,657</u>	<u>9,855</u>	<u>-</u>	<u>206,512</u>	<u>193,612</u>
NET ASSETS, end of year	<u><u>\$ 267,648</u></u>	<u><u>\$ 11,218</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 278,866</u></u>	<u><u>\$ 206,512</u></u>

See accompanying notes to financial statements

MILAGRO FOUNDATION, INC.
d/b/a MILAGRO CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2010)

	Program Services	Supporting Services		2010 Total	2009 Total
		General and Administrative	Fundraising		
Operating expenses:					
Payroll & related expenses	\$ 168,755	\$ 42,819	\$ 40,300	\$ 251,874	\$ 280,476
Artists	11,828	-	-	11,828	15,075
Program supplies	7,552	-	-	7,552	2,081
Background checks	1,254	-	-	1,254	1,444
Other direct grant and related expenses:	6,475	-	-	6,475	6,975
Professional fees	3,901	14,385	6,096	24,382	28,954
Training and development	4,280	1,223	611	6,114	3,023
Occupancy costs	25,763	4,831	1,610	32,204	41,992
Office supplies	5,086	5,722	1,908	12,716	1,778
Advertising	1,890	-	810	2,700	362
Postage and delivery	304	152	152	608	1,195
Printing and reproduction	2,067	1,240	827	4,134	6,812
Depreciation and amortization	18,408	3,452	1,150	23,010	21,010
Mortgage interest	18,861	3,536	1,179	23,576	24,273
Total operating expenses	276,424	77,360	54,643	408,427	435,450
Rental property expenses:					
Depreciation and amortization	-	11,784	-	11,784	11,409
Mortgage interest	-	19,288	-	19,288	19,859
Total rental property expenses	-	31,072	-	31,072	31,268
Total expenses	\$ 276,424	\$ 108,432	\$ 54,643	\$ 439,499	\$ 466,718

See accompanying notes to financial statements

MILAGRO FOUNDATION, INC.
d/b/a MILAGRO CENTER
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2010
(With Comparative Total for the Year ended December 31, 2009)

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change net assets	\$ 72,354	\$ 12,900
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
In-Kind contribution for equipment and improvements	(13,842)	(14,625)
Depreciation	34,357	31,982
Amortization	437	437
(Increase) decrease in assets:		
Grants receivable	607	(4,427)
Prepaid insurance	944	889
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(5,908)	8,310
Deferred revenue	(500)	(3,618)
Net cash provided by operating activities	<u>88,449</u>	<u>31,848</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	<u>(2,094)</u>	<u>(6,030)</u>
Net cash used in investing activities	<u>(2,094)</u>	<u>(6,030)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt	<u>(18,709)</u>	<u>(17,409)</u>
Net cash used in financing activities	<u>(18,709)</u>	<u>(17,409)</u>
NET INCREASE IN CASH	67,646	8,409
CASH, beginning of year	<u>31,277</u>	<u>22,868</u>
CASH, end of year	<u><u>\$ 98,923</u></u>	<u><u>\$ 31,277</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Equipment and improvements acquired through in-kind contribution	\$ 13,842	\$ 14,625
Cash paid for interest	\$ 42,863	\$ 44,164

See accompanying notes to financial statements

MILAGRO FOUNDATION, INC.
d/b/a MILAGRO CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 1 – Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by Milagro Foundation, Inc. (“Milagro” or the “Organization”) in the preparation of the accompanying financial statements.

Organization and Nature of Activities – The Milagro Foundation, Inc. (the “Organization”), a Florida not-for-profit corporation, was founded in 1998 to provide an interracial, non-denominational community center for children’s educational, health, creative, artistic and literary activities. The Organization’s operations are based in Delray Beach, Florida, and center around fostering education and the teaching and training of children which may help build a stronger and healthier local community.

Financial Statement Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification Section 958 (formerly Statement of Financial Accounting Standard (SFAS) No.117, *Financial Statements of Not-for-Profit Organizations*). Under that statement, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Receivables – The Organization estimates an allowance for uncollectible grants and contributions based on the aging of the individual balances receivable, recent payment history, contractual terms and other qualitative factors such as the status of the relationship with the grantor. The policy is to write off grants and contributions receivable in the fiscal year when collection procedures have been exhausted. At December 31, 2010 and 2009, the Organization determined that all receivables to be collectible and that no allowance for uncollectible grants or contributions receivable is necessary.

Property and Equipment – Property and equipment is stated at acquisition cost if purchased or fair value if contributed for all assets exceeding \$500. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Expenditures for routine maintenance and repairs are expensed as incurred. Expenditures that extend or enhance the lives of assets are capitalized. The estimated useful lives of the assets are as follows:

Buildings and Improvements	30 years
Playground Equipment and Improvements	7 years
Office Equipment	3 years
Furniture and Fixtures	3-5 years

Intangible Assets – Loan fees incurred in connection with mortgage funding are recorded at cost and are amortized over the 20 year loan term on an accelerated method.

Deferred Revenue – Deferred revenue represents payments received in advance for fundraisers or rent.

Contributions – All contributions are considered to be available for unrestricted use 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 restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor imposed restrictions that are net in the same year in which they are received are classified as unrestricted contributions. Contributions of long-lived assets are considered released from and implied restrictions when the item is placed in service. There were no permanently restricted assets as of December 31, 2010 and 2009.

Donated Materials and Services- Contributions of donated noncash assets are recorded at their estimated fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

Grants and Contracts – Grant revenues are recognized as income when the Organization incurs expenses allowable under expense-reimbursement type grant agreements. Contract revenues are recognized when services are rendered, measured by costs incurred or by units of services provided.

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

Income Taxes – The Organization has been granted a tax-exempt status by the Internal Revenue Service under Code Section 501(c)(3). The Organization may be obligated to pay tax on any unrelated business income. The Organization reevaluates all tax positions and makes a determination regarding the likelihood of such positions being upheld under review; management has not identified any uncertain tax positions.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

Comparative Financial Information – The financial statements include certain prior-year summarized comparative information in total (audited by other auditors) but not by net asset or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

Subsequent Events – Management has evaluated subsequent events through April 1, 2011, which was the date the financial statements were available to be issued.

Note 2 – Temporarily Restricted Funds

Temporarily restricted funds consist of a contribution received by the Organization in 2010 from the United Way of the town of Palm Beach. Approximately \$10,000 was received for the purpose of information technology upgrades, with the balance of unexpended temporarily restricted funds of \$11,218 as of December 31, 2010.

Note 3 – Description of Programs

The Organization has three primary programs as follows:

Standing Together Achieving Recognition and Success ("STARS") – The STARS Program is a multi-faceted after-school and summer cultural arts program that is designed to improve the educational performance and artistic potential of low income children. STARS participants work daily to refine their academic and artistic skills. With the help of Palm Beach County certified teachers, community partnerships, volunteers and mentors, the students receive instruction in specialized areas of literacy proficiency, science, technology and art tutorials. Artists introduce the students to a variety of art media including percussion, dance, painting, sculpture, pottery, music and graphic arts. Participants in the STARS Program also learn essential life skills including the ability to communicate effectively, express emotions and work as a team which are key to their development. In addition, the program stresses the importance of community service, as well as connects the Milagro families with various social services.

Mentoring Program – The Milagro Mentoring Program provides site based mentoring on both a one-on-one and group basis through the STARS program. The mentoring program fosters nurturing, supportive, intergenerational relationships that are essential in building self-esteem in these children. Through the program, the children are more able to adequately deal with the factors that classify them as "at-risk" with mentors who are trained to address and focus on emotional and educational deficiencies. Milagro's Mentoring Program offers an innovative facet to after-school programming by connecting youth with mentors, providing positive role models in children's lives, which can evidence all aspects of their development and leave a lasting memory that is forever treasured.

Community Outreach Program – Through the Community Outreach Program, other local after school programs are helped by placing artists in their facilities to teach students. All artists placed are recruited and paid for by the Milagro Center. Using the existing infrastructure of the STARS Program, the organization extends arts education through local community partners to many disadvantaged children in Delray Beach, Florida.

Note 4 – Grants Receivable

Grants receivable at December 31, 2010 consist of the following:

Due from Children's Services Council of Palm Beach County	\$ 5,521
Due from Family Central, Inc.	<u>9,944</u>
Total Grants Receivable	<u>\$ 15,465</u>

Note 5 – Property and Equipment, Net

Property and equipment consists of the following:

	<u>Program</u>	<u>Rental</u>	<u>2010 Total</u>	<u>2009 Total</u>
Land	\$ 46,500	\$ 39,000	\$ 85,500	\$ 85,500
Buildings and Improvements	392,753	335,111	727,864	727,864
Playground Equipment and Improvements	26,098	-	26,098	26,098
Office Equipment	37,547	-	37,547	35,453
Furniture and Fixtures	36,434	-	36,434	22,592
Total Property and Equipment	539,332	374,111	913,443	897,507
Accumulated Depreciation	<u>(110,052)</u>	<u>(45,897)</u>	<u>(155,949)</u>	<u>(121,592)</u>
Net Property and Equipment	<u>\$429,280</u>	<u>\$328,214</u>	<u>\$757,494</u>	<u>\$775,915</u>

Note 6 – Grants and Contracts

The following grants and contracts are included in the statement of activities for the year ended December 31, 2010 and 2009:

STARS – Funding for the STARS grant was provided by the Early Learning Coalition of Palm Beach County passed through Family Central, Inc., a not-for-profit agency. For the year ended December 31, 2010 and 2009, the Organization recognized \$105,984 and \$109,074, respectively, in revenue from grants based upon number of children attending the program. The agreement is subject to annual renewal each October 1. The current agreement expires on September 30, 2011.

Mentors – Funding for Mentors grant was provided by the State of Florida Department of Community Affairs passed through Children’s Services Council of Palm Beach County. For the year ended December 31, 2010 and 2009, the Organization recognized \$69,865 and \$64,368, respectively, in revenue from the grants based upon reimbursement of expenses incurred. These were two agreements in effect during the year ended December 31, 2010; a nine month contract for \$76,399 that expired September 30, 2010, and an annual contract for \$79,910 commencing on October 1, 2010. There is \$64,532 remaining on the second agreement to fund activities in 2011.

Artists - Funding for the artists grant was provided by the Palm Beach County Cultural Council. For the year ended December 31, 2010 and 2009, the organization recognized \$4,614 and \$12,513, respectively, in revenue from this grant, which is subject to annual renewal effective October 1.

Note 7 – Major Programs, Supporters and Suppliers

For the years ended December 31, 2010 and 2009, the Organization received 14% and 13% of its total revenues and support from the State of Florida - Department of Community Affairs, through Children's Services Council of Palm Beach County in the amount of \$69,865 and \$64,368, respectively; and 21% and 23% of its total revenue support from Family Central, Inc. in the amount of \$105,984 and \$109,074, respectively.

The Organization also received \$120,500 and \$100,000 for the years ended December 31, 2010 and 2009, respectively, in contributions from several foundations for its ongoing activities. Without the future continuation of such contributions, the organization's ability to meet its obligations would be greatly reduced.

Note 8 – In-Kind Contributions

The Organization recorded in-kind contributions in 2010 and 2009 as follows:

	<u>2010</u>	<u>2009</u>
Furniture and Fixtures	\$ 13,842	\$ 14,624
Fundraising Event Costs	-	4,075
Program Supplies	309	-
Repairs and Maintenance	327	3,914
Professional Services	550	5,000
Telephone and Internet	-	5,000
Other	<u>528</u>	<u>100</u>
Total	<u>\$ 15,556</u>	<u>\$ 32,713</u>

Note 9 – Rental Property

The Organization leases one of its two buildings to another not-for-profit organization. The monthly rental income is \$3,296 and the lease terminates on April 30, 2014. Rental income for the years ended December 31, 2010 and 2009 was \$39,168 and \$38,000, respectively.

Note 10 – Debt

The Organization financed the purchase of the buildings through a 20 year \$650,000 mortgage obtained from Bank of America. The mortgage note, secured by the buildings, land, and future rents, matures in February 2026 and is payable in monthly installments of \$5,131, including interest at 7.13%.

Principal payments due over the following five years, and thereafter, are as follows:

Year ended December 31,	2011	\$ 20,108
	2012	21,494
	2013	23,217
	2014	24,952
	2015	26,790
	Thereafter	<u>466,165</u>
	Total	<u>\$ 582,726</u>

FALKINS & COMPANY

PROFESSIONAL ASSOCIATION

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

To the Board of Directors of
Milagro Foundation, Inc.

We have audited the financial statements of the Milagro Foundation, Inc. d/b/a Milagro Center (the Organization) as of and for the year ended December 31, 2010, and have issued our report thereon dated April 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 Organization's internal control over financial reporting as a basis for designing our audit procedures 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 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 Organization's 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 Organization's 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 these 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 the Board of Directors, management, the Florida Department of Community Affairs, the Auditor General of the State of Florida, and the Children's Services Council of Palm Beach County, and is not intended to be and should not be used by anyone other than these specified parties.


FALKINS & COMPANY

April 1, 2011

MILAGRO FOUNDATION, INC.
d/b/a MILAGRO CENTER
SCHEDULE OF PRIOR AUDIT FINDINGS

(For the Year Ended December 31, 2010)

Internal Control over Financial Reporting

09-01 Adjustments made for the 2008 financial statements were not entered into the general ledger of the Organization until brought to management's attention. The failure to record the entries was not timely identified or corrected. As a result, management and the board were provided with incorrect prior year and current year data.

Current Status - The finding has been corrected. No similar findings were noted in 2010.

09-02 During the review of the bank reconciliations, it was noted that multiple stale checks aggregating \$11,600 were incorrectly included in the outstanding checklist. Of the stale checks, most had been physically voided by management but not voided in the accounting system. Other listed stale checks were duplicate checks caused by processing errors where invoices were misstated. The outstanding check listings should be reviewed by management on a monthly basis and voided checks should be recorded in the accounting system when physically voided.

Current Status - The finding has been corrected. No similar findings were noted in 2010.

09-03 During discussions with management it was noted \$32,713 of in-kind donations of goods and services that had not been captured for inclusion in the financial statements. In-kind contributions and the corresponding expense should be identified, valued, and recorded in the general ledger in a timely manner. A similar finding was identified during the previous year's audit.

Current Status - The finding has been corrected. No similar findings were noted in 2010.

09-04 Review of donor letters to determine appropriate restrictions on the use of the funds is not adequately documented. All contributions should be monitored to determine if restrictions exist and are being met in accordance with donors' wishes so that revenues can be recorded in accordance with generally accepted accounting principles. A similar finding was reported for the previous year's audit.

Current Status - The finding has been corrected. No similar findings were noted in 2010.