

September 29, 2010

To the Board of Directors
Broward County Community Development Corporation, Inc.
d/b/a Broward Housing Solutions, Inc.
Fort Lauderdale, Florida

In planning and performing our audit of the financial statements of Broward County Community Development Corporation, Inc. d/b/a Broward Housing Solutions as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and OMB Circular A-133, we considered Broward County Community Development Corporation Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing 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. 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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of the Board of Directors, management of Broward County Community Development Corporation, Inc. and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Berenfeld Spritzer Shechter & Sheer LLP

BERENFELD, SPRITZER, SHECHTER & SHEER, LLP
Fort Lauderdale, Florida

September 29, 2010

To the Board of Directors
Broward County Community Development Corporation, Inc.
d/b/a Broward Housing Solutions, Inc.
Fort Lauderdale, Florida

We have audited the financial statements of Broward County Community Development Corporation, Inc. d/b/a Broward Housing Solutions, Inc. for the year ended June 30, 2010, and have issued our report thereon dated September 29, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 6, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Broward County Community Development Corporation, Inc. are described in Note 1 to the financial statements. The application of existing policies was not changed during the 2010 fiscal year. The following are polices adopted during the 2010 fiscal year:

As described in Note 1, the Organization adopted ASC Topic 820-10 "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The adoption of this policy did not have a material effect on the 2010 financial statements.

As described in Note 1, the Organization adopted ASC Topic 825-10 "Fair Value Option," which allows companies to choose to measure eligible financial instruments and certain other items at fair value that are not required to be measured at fair value. The adoption of this policy did not have a material effect on the 2010 financial statements.

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation and useful lives of property and equipment is based on evaluation of the assets, historical experience and other information available to management. We evaluated the key factors and assumptions used to develop the estimate of depreciation and useful lives of property and equipment in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of temporarily and permanently restricted net assets as described in Note 1 of the financial statements as these contributions are subject to donor-imposed stipulations.

The disclosure of mortgages and notes payable as described in Note 4 of the financial statements as the amount of debt of the Organization are significant to the financial statement taken as a whole.

The disclosure of deferred revenue associated with a possible future liability to a funding source of the Organization as described in Note 7 of the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

Deferred revenue approximating \$42,000 recorded as a result of possible future liability to funding source

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 29, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.


Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

This communication is intended solely for the information and use of the Board of Directors, management of Broward County Community Development Corporation, Inc. and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


BERENFELD, SPRITZER, SHECHTER & SHEER, LLP

**BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
JUNE 30, 2010**

**BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
FOR THE YEAR ENDED JUNE 30, 2010**

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spritzer + shechter + sheer LLP =
certified public accountants & business advisors

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Broward County Community Development Corporation, Inc.
d/b/a Broward Housing Solutions, Inc.
Fort Lauderdale, Florida**

We have audited the accompanying statement of financial position of Broward County Community Development Corporation, Inc. (a non-profit organization) as of June 30, 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 management of Broward County Community Development Corporation, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Broward County Community Development Corporation, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows and functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards and the Florida Single Audit Act, we have also issued our report dated September 29, 2010, on our consideration of Broward County Community Development Corporation, 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. The report is an integral part of an audit performed in accordance with Government 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 financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance on page 18 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 the Florida Single Audit Act, 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.

Berenfeld Spritzer Shechter & Sheer LLP

Berenfeld, Spritzer, Shechter & Sheer, LLP

Fort Lauderdale, Florida

September 29, 2010

**BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010**

ASSETS

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
CURRENT ASSETS:				
Cash and cash equivalents	\$ 239,384	\$ 17,745	\$ -	\$ 257,129
Grants receivable	52,356	-	-	52,356
Other receivables	66,070	-	-	66,070
Prepaid expenses	117,907	-	-	117,907
Total Current Assets	475,717	17,745	-	493,462
PROPERTY AND EQUIPMENT, NET	311,415	6,520,912	916,190	7,748,517
DEPOSITS AND OTHER ASSETS	1,940	-	-	1,940
TOTAL ASSETS	\$ 789,072	\$ 6,538,657	\$ 916,190	\$ 8,243,919

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:				
Accounts payable and accrued expenses	\$ 21,536	\$ -	\$ -	\$ 21,536
Deferred revenue	-	59,613	-	59,613
Deposits	80,414	-	-	80,414
Mortgages and notes payable-current portion	52,916	363,264	-	416,180
Total Current Liabilities	154,866	422,877	-	577,743
MORTGAGES AND NOTES PAYABLE, NET OF CURRENT PORTION	250,000	3,385,120	-	3,635,120
TOTAL LIABILITIES	404,866	3,807,997	-	4,212,863
NET ASSETS	384,206	2,730,660	916,190	4,031,056
TOTAL LIABILITIES AND NET ASSETS	\$ 789,072	\$ 6,538,657	\$ 916,190	\$ 8,243,919

See accompanying notes to the financial statements.

BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue:				
Government grants	\$ -	\$ 670,320	\$ -	\$ 670,320
United Way	-	65,000	-	65,000
Rent	418,262	-	-	418,262
Contributions (Including \$21,085 In-kind)	180,679	160,777	-	341,456
Interest	669	-	-	669
Gain on sale of property and equipment	9,868	-	-	9,868
Other	7,377	-	-	7,377
Net assets released from restrictions- Satisfaction of program restrictions	896,097	(896,097)	-	-
TOTAL SUPPORT AND REVENUE	1,512,952	-	-	1,512,952
Expenses:				
Program Services - Housing program	1,409,673	-	-	1,409,673
Supporting Services - Management and general	137,648	-	-	137,648
	1,547,321	-	-	1,547,321
DECREASE IN NET ASSETS	(34,369)	-	-	(34,369)
INTERFUND TRANSFERS	67,581	(67,581)	-	-
CHANGES IN NET ASSETS	33,212	(67,581)	-	(34,369)
NET ASSETS - JULY 1, 2009	350,994	2,798,241	916,190	4,065,425
NET ASSETS - JUNE 30, 2010	\$ 384,206	\$ 2,730,660	\$ 916,190	\$ 4,031,056

See accompanying notes to the financial statements.

**BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Decrease in net assets	\$ (34,369)	\$ -	\$ -	\$ (34,369)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:				
Depreciation	290,284	-	-	290,284
Debt forgiveness	-	(158,494)	-	(158,494)
(Gain) on sale of property and equipment	(9,868)	-	-	(9,868)
Changes in assets and liabilities:				
Decrease in grants receivable	28,806	-	-	28,806
(Increase) in prepaid expenses	(33,970)	-	-	(33,970)
(Increase) in other receivables	(54,691)	-	-	(54,691)
Decrease in deposits and other assets	1,158	-	-	1,158
Increase in accounts payable and accrued expenses	7,657	-	-	7,657
Increase in deferred revenue	-	46,556	-	46,556
Increase in deposits	4,830	-	-	4,830
Interfund transfers	(190,308)	190,308	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	9,529	78,370	-	87,899
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of property and equipment	12,533	-	-	12,533
Purchases of property and equipment	-	(24,031)	-	(24,031)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	12,533	(24,031)	-	(11,498)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from notes payable	-	15,000	-	15,000
Payments on mortgages and notes payable	-	(64,651)	-	(64,651)
NET CASH (USED IN) FINANCING ACTIVITIES	-	(49,651)	-	(49,651)
NET INCREASE IN CASH	22,062	4,688	-	26,750
CASH - JULY 1, 2009	217,323	13,057	-	230,380
CASH - JUNE 30, 2010	\$ 239,385	\$ 17,745	\$ -	\$ 257,130
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid during the year for interest	\$ 119,692	\$ -	\$ -	\$ 119,692
Contributed services and materials	\$ 21,085	\$ -	\$ -	\$ 21,085

See accompanying notes to the financial statements.

BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

	Housing Program	Management and General	Total
Salaries	\$ 393,169	\$ 67,550	\$ 460,719
Payroll taxes and employee benefits	91,133	15,655	106,788
Rental subsidies	53,143	1,993	55,136
Depreciation	290,000	284	290,284
Maintenance and repairs	112,165	1,580	113,745
Utilities	109,225	942	110,167
Insurance	90,540	1,156	91,696
Condominium dues	8,701	-	8,701
Travel and conferences	3,573	2,002	5,575
Taxes and licenses	16,088	142	16,230
Community support	30,893	515	31,408
Office	21,303	7,362	28,665
Professional fees	40,940	34,647	75,587
Interest	117,195	2,497	119,692
Telephone	10,520	1,323	11,843
In-Kind services	21,085	-	21,085
	<u>1,409,673</u>	<u>137,648</u>	<u>1,547,321</u>
TOTAL EXPENSES	\$ 1,409,673	\$ 137,648	\$ 1,547,321

See accompanying notes to the financial statements.

BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

Broward County Community Development Corporation, Inc. (d/b/a Broward Housing Solutions), (the "Organization") was incorporated as a non-profit organization for the purpose of establishing safe, accessible, and affordable housing opportunities within Broward County, Florida for low-income individuals with special needs.

BASIS OF PRESENTATION

The accounts of the Organization are maintained on the accrual basis of accounting and in accordance with the principles of fund accounting, in order to ensure observance of the limitations and restrictions placed on the use of its resources. In accordance with ASC Topic 958-205, "Not-for-Profit Entities, Presentation of Financial Statements" (formerly Statements of Financial Accounting Standards ("SFAS") No. 117 "Financial Statements of Not-for-Profit Organizations"), the Organization reports 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. In addition, the Organization is required to present a statement of cash flow and has grouped its accounts for financial statement presentation as follows:

- Unrestricted net assets – portion of net assets that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations
- Temporarily restricted net assets – portion of net assets resulting from contributions, grants and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or by actions of the Organization that satisfy those stipulations. Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions upon satisfaction of the donor stipulations. Substantially all temporarily restricted net assets have been designated by grantors to be used for providing affordable housing for low income individuals with special needs.
- Permanently restricted net assets – Net assets subject to donor-Imposed stipulations that they be maintained permanently and therefore, neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

CASH EQUIVALENTS

The Organization considers investments in highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, and mortgage and notes payable. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and/or approximate market interest rates of these instruments.

BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The estimated fair value is not necessarily indicative of the amounts the Organization would realize in a current market exchange or from future earnings or cash flows. Borrowings and loans, generally from government sources, for the acquisition of long-lived assets are reflected at face value when the use of the long-lived asset is stipulated by the government lender (grantor) and the sale or deviation from such stipulated use, require immediate repayment of the borrowing (grant).

The Organization adopted ASC Topic 820-10 "Fair Value Measurements", which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value which focuses on an exit price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three-level hierarchy for fair value measurements is defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly including inputs in markets that are not considered to be active;
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Cash equivalents and marketable securities are classified within Level 1 or Level 2 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of transparency.

The Organization also adopted ASC Topic 825-10 "Fair Value Option" (Topic 825-10). Topic 825-10 allows companies to choose to measure eligible financial instruments and certain other items at fair value that are not required to be measured at fair value.

Topic 825-10 requires that unrealized gains and losses on items for which the fair value option has been elected be reported in earnings at each reporting date. As of June 30, 2010, the Organization did not elect such an option for its financial instruments and assets.

BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost when purchased or constructed or at their estimated fair values when donated. Additions, improvements and expenditures for maintenance that add materially to productive capacity or extend the life of an asset are capitalized. Other expenditures for maintenance are expensed as incurred. In the case of disposals, the assets and related reserves are removed from the accounts and the net amount, less proceeds from disposal, is charged or credited to income. Depreciation of property and equipment is computed by the straight line method over the estimated useful lives of the assets.

Estimated useful lives:

Land	n/a
Buildings and improvements	10-30 years
Furniture and equipment	5 years
Motor vehicles	5 years

CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2010, cash balances are under the federally insured limit.

DONATED MATERIALS AND SERVICES

Donated materials, if significant, are recorded as contributions at their estimated values at date of receipt. Donated services are recognized when there is an objective basis to measure the value of such services and such services creates or enhances a non-financial asset or the service requires specialized skills that would be purchased if not provided by donation. A substantial number of volunteers have donated significant amounts of their time to the Organization that are not recognized, since such contributed services do not meet the preceding criteria.

CONTRIBUTIONS

The Organization adheres to ASC Topic 958-605, "Not-for-Profit Entities, Revenue Recognition" (formerly SFAS No. 116 "Accounting for Contributions Received and Contributions Made"), which requires among other things the immediate recognition as support (income) of all unconditional contributions received and makes an important distinction between restrictions and conditions.

USE OF ESTIMATES

The preparation of 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 in the financial statements and accompanying notes. Actual results could differ from those estimates.

BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a nonprofit organization other than a private foundation. However, the Organization is subject to income taxes on unrelated business income. No income tax provision is required since the Organization had no unrelated business taxable income during the year ended June 30, 2010.

COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacations, sick days and other time off depending on job classification, length of service and other factors. The Organization's policy is to recognize the costs of compensated absences as incurred. At June 30, 2010, the accrued compensated absences totaled \$17,482.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses of the housing program and management and general activities have been summarized on a functional basis in the statement of activities. Expenses are generally charged directly to program and management and general categories based on specific identification, although certain indirect expenses have been allocated based on management estimates.

IMPAIRMENT OF LONG-LIVED ASSETS

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. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset.

If such assets are considered to be impaired, the impairment to be recognized is measured by the amount reported at the lower of the carrying amount or fair value less costs to sell. The Organization recognized no impairment of long-lived assets during the year ended June 30, 2010.

ACCOUNTING STANDARDS CODIFICATION

In June 2009, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles* (the "Codification"). This standard replaces SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*, and establishes only two levels of U.S. generally accepted accounting principles ("GAAP"), authoritative and non-authoritative. The Codification ("ASC") has become the source of authoritative, nongovernmental GAAP, except for rules and interpretive releases of the SEC, which are sources of authoritative GAAP for SEC registrants. All other nongrandfathered, non-SEC accounting literature not included in the Codification will become nonauthoritative. This standard is effective for financial statements for interim or annual reporting periods ending after September 15, 2009. The adoption of the Codification changed the Organization's references to GAAP accounting standards but did not impact its results of operations, financial position or liquidity.

**BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 2 – PROPERTY AND EQUIPMENT

At June 30, 2010, property and equipment consist of:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Land	\$ 74,604	\$ 245,000	\$ 916,190	\$ 1,235,794
Buildings and improvements	331,585	7,912,608	-	8,244,193
Furniture and equipment	207,805	-	-	207,805
Motor vehicles	57,115	-	-	57,115
Less: accumulated depreciation	<u>359,694</u>	<u>1,636,696</u>	<u>-</u>	<u>1,996,390</u>
	<u>\$ 311,415</u>	<u>\$ 6,520,912</u>	<u>\$ 916,190</u>	<u>\$ 7,748,517</u>

Certain properties are pledged or subject to liens (See Note 4). Depreciation expense for the year ended June 30, 2010 totaled \$290,284.

NOTE 3 – INSURANCE PREMIUM FINANCING

The Organization has an insurance premium financing agreement with an independent company to purchase insurance policies. (See Note 4)

NOTE 4 - MORTGAGES AND NOTES PAYABLE

At June 30, 2010, mortgages and notes payable consist of:

Mortgage note payable to Broward County, payment of principal and interest deferred for a period of fifteen years from June 2000 to June 2015. The original loan (\$40,000) is being forgiven by the lender ratably over 15 years provided the Organization satisfies the usage requirements contained in the note. The note is collateralized by residential property with a book value of \$205,307 (Cluster 4). \$ 13,334

Mortgage note payable to Broward County, payment of principal and interest deferred for a period of fifteen years from September 1999 to September 2014. The original loan (\$68,000) is being forgiven by the lender ratably over 15 years provided the Organization satisfies the usage requirements contained in the note. The note is collateralized by residential property with a book value of \$205,307 (Cluster 4). 19,189

**BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 4 - MORTGAGES AND NOTES PAYABLE (Continued)

<p>Mortgage note payable to Broward County, payment of principal and interest deferred for a period of fifteen years from July 2002 to July 2017. The original loan (\$70,000) is being forgiven by the lender ratably over 15 years provided the Organization satisfies the usage requirements contained in the note. The note is collateralized by a townhouse in Pompano Beach, Florida with a book value of \$60,745.</p>	<p>\$ 32,667</p>
<p>Mortgage note payable to Broward County, payment of principal and interest deferred for fifteen years from July 2002 to July 2017. The loan of \$75,000 is fully drawn and is being forgiven by the lender ratably over 15 years provided the ownership and occupancy requirements contained within the note are met. The note is collateralized by residential property with a book value of \$168,126 (Cluster 1).</p>	<p>37,083</p>
<p>Mortgage note payable to Broward County, payment of principal and interest deferred for a period up to ten years. The project was completed August 2004. The loan of \$100,000 is being forgiven by the lender at the rate of one-tenth (1/10) per annum provided the ownership and occupancy requirements contained within the note are met. The note is collateralized by residential property (Cluster 6) with a book value of \$1,114,007</p>	<p>40,833</p>
<p>Mortgage note payable to Broward County, payment of principal and interest deferred for a period up to twenty years from August 2002 to August 2022. The loan of \$501,020 is fully drawn and is being forgiven by the lender at the rate of one-twentieth (1/20) annually provided the ownership and occupancy requirements contained within the note are met. The note is collateralized by residential property (Cluster 6) with a book value of \$1,114,007.</p>	<p>303,744</p>
<p>Mortgage note payable to Broward County, payment of principal and interest deferred for a period up to fifteen years from February 2004 to February 2019. The loan of \$143,196 is fully drawn and is being forgiven by the lender at the rate of one-fifteenth (1/15) per annum provided the ownership and occupancy requirements contained within the note are met. The note is collateralized by residential property (Cluster 8) with a book value of \$247,518.</p>	<p>82,735</p>
<p>Mortgage note payable to Broward County, payment of principal and interest deferred for fifteen years from January 2005. The loan of \$216,642 is fully drawn and is being forgiven by the lender ratably over 15 years provided the Organization satisfies the usage requirements contained within the note. The note is collateralized by residential property with a book value of \$714,409 (Cluster 9).</p>	<p>137,135</p>

**BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 4 - MORTGAGES AND NOTES PAYABLE (Continued)

<p>Mortgage note payable to Broward County, payment of principal and interest deferred for fifteen years from January 2005 to January 2020. The loan of \$215,838 is fully drawn and is being forgiven by the lender ratably over 15 years provided the Organization satisfies the usage requirements contained within the note. The note is collateralized by residential property with a book value of \$689,364 (Cluster 10).</p>	<p>\$ 136,697</p>
<p>Mortgage note payable to Broward County, payment of principal and interest deferred for a period up to thirty years from January 2007 to January 2037. The loan of \$323,361 is fully drawn and is being forgiven by the lender at the rate of one-thirtieth (1/30) per annum provided the ownership and occupancy requirements contained within the note are met. The note is collateralized by residential property (Woodside) with a book value of \$471,849.</p>	<p>285,636</p>
<p>Mortgage note payable to Broward County, payment of principal and interest deferred for a period up to fifteen years from October 2005 to October 2020. The loan of \$349,600 is fully drawn and is being forgiven by the lender at the rate of one-fifteen (1/15) per annum provided the ownership and occupancy requirements contained within the note are met. The note is collateralized by residential property (Wilson) with a book value of \$812,243.</p>	<p>240,314</p>
<p>Mortgage note payable to Broward County, payment of principal and interest deferred for a period up to thirty years from June 2007 to June 2037. The original loan amount of \$375,000 (when fully drawn) shall be forgiven by the lender at the rate of 1/30th on the anniversary date of each year following the date of the project completion. Project 1 in the amount of \$78,000 was completed on February 11, 2008. The note is collateralized by residential property (LTB .14) with a book value of \$147,083.</p>	<p>70,659</p>
<p>Mortgage note payable to Broward County, payment of principal and interest deferred for five years from September 2006 to September 2011. The loan of \$120,000 is fully drawn and is being forgiven by the lender ratably over 5 years provided the ownership and occupancy requirements contained within the note are met. The note is collateralized by residential property (Wilson) with a book value of \$812,243.</p>	<p>30,000</p>
<p>Mortgage note payable to Broward County, payment of principal and interest deferred for five years from December 2008 to December 2013. The loan of \$37,983 was approved and amount drawn to date totaled \$36,969. The loan is to be forgiven by the lender at the rate of one-fifth (1/5) per annum provided the ownership and occupancy requirements contained within the note are met. The note is collateralized by residential property (Riverside) with a book value of \$554,210.</p>	<p>25,438</p>

BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - MORTGAGES AND NOTES PAYABLE (Continued)

<p>Mortgage note payable to Broward County, payment of principal and interest deferred for up to thirty years from March 2008 to March 2038. The total loan approved was \$178,337, \$53,337 is to be paid when the property is sold, and \$125,000 is to be forgiven by the lender after thirty years from the date of agreement of March 5, 2008 provided the occupancy requirements contained within the note are met. The note is collateralized by residential property (Avondale) with a book value of \$524,783.</p>	<p>\$ 178,337</p>
<p>Mortgage note payable to a bank in the amount of \$200,000. The note is collateralized by residential property known as Riverside. The loan is to be forgiven by the lender after fifteen years from the date of purchase of the property on June 5, 2008 provided that certain occupancy requirements as contained in the note are met. The book value of Riverside is \$554,210</p>	<p>200,000</p>
<p>6.75% insurance financing note with ten monthly payments of \$6,063, with the final payment due on March 21, 2011. (Note 3)</p>	<p>52,916</p>
<p>Mortgage note payable to Community Reinvestment Group, payment of principal and interest due on July 20, 2011. The note is collateralized by residential property located in Pompano Beach (Palm Aire) with a book value of \$97,666.</p>	<p>91,700</p>
<p>6.25% mortgage note payable to Florida Community Loan Fund to be used for improvements to residential property, original amount - \$200,000, monthly payments of principal and interest of \$2,246 with a final payment due June 26, 2012. The note is collateralized by residential property (Cluster 6) with a book value of \$1,114,007.</p>	<p>110,409</p>
<p>6.36% mortgage note payable to a bank requiring monthly payments of principal and interest of \$2,541 to maturity (June 26, 2033) collateralized by residential property (Cluster 9) with a book value of \$714,409.</p>	<p>368,029</p>
<p>6.36% mortgage note payable to a bank requiring monthly payments of principal and interest of \$2,541 to maturity (June 26, 2033); collateralized by residential property (Cluster 10) with a book value of \$689,364.</p>	<p>368,029</p>
<p>Mortgage note payable to Housing Finance Authority, payment of principal and interest deferred for a period of fifteen years from November 2003 to August 2018, at which time obligations under the mortgage shall be satisfied by a balloon payment unless the Organization satisfies the usage requirements in the note. No interest has been paid or accrued on this note since the organization intends to satisfy the aforementioned usage requirements. The note is collateralized by residential property (Cluster 6) with a book value of \$1,114,007.</p>	<p>200,000</p>

**BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 4 – MORTGAGES AND NOTES PAYABLE (Continued)

<p>5.65% mortgage note payable to a bank with a balloon principal payment due April 6, 2012 together with accrued interest. The mortgage is collateralized by the administration property with a book value of \$299,217.</p>	<p>\$ 250,000</p>
<p>6.25% mortgage note payable to Florida Community Loan Fund, original amount - \$165,300, monthly payments of principal and interest of \$1,017 with the remaining principal due and payable May 10, 2012. The note is collateralized by residential property (Cluster 8) with a book value of \$247,518.</p>	<p>145,531</p>
<p>6.50% mortgage note payable to Florida Community Loan Fund, original amount - \$76,500, monthly payments of principal and interest of \$570 with the remaining principal due and payable in June 2013. The note is collateralized by residential property (Cluster 9) with a book value of \$714,409.</p>	<p>61,386</p>
<p>6.50% mortgage note payable to Florida Community Loan Fund, original amount - \$76,500, monthly payments of principal and interest of \$570 with the remaining principal due and payable in June 2013. The note is collateralized by residential property (Cluster 10) with a book value of \$689,364.</p>	<p>61,386</p>
<p>5.50% revolving line of credit payable to Florida Community Loan Fund, original available amount - \$400,000, monthly payments of accrued interest only with the remaining principal due and payable on May 15, 2010. The note is collateralized by residential properties (Avondale, Coral Springs Tower and LTB 14) with a combined book value of \$759,943.</p>	<p>210,599</p>
<p>5.875% mortgage note payable to a bank, original amount - \$290,000, monthly payments of principal and interest of \$1,732 with the remaining principal due and payable on June 5, 2023. The note is collateralized by residential property (Riverside) with a book value of \$554,210.</p>	<p>282,514</p>
<p>Line of credit with a financial institution collateralized by substantially all of the assets of the Organization. The line has a maximum credit limit of \$200,000. The annual interest rate is 1.5% over Bank Atlantic Business Prime rate. The interest rate at June 30, 2010 was approximately 5%. The line matures on April 14, 2011.</p>	<p><u>15,000</u></p>
	<p>\$ <u>4,051,300</u></p>

BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - MORTGAGES AND NOTES PAYABLE (Continued)

The principal on the above mortgages are amortizable as follows:

Fiscal Year Ended June 30:	Notes Payable	Forgivable Loans	Total
2011	\$ 416,180	\$ 158,429	\$ 574,609
2012	50,760	140,429	191,189
2013	54,295	137,405	191,700
2014	57,637	128,830	186,467
2015	53,233	112,408	165,641
Thereafter	<u>1,638,731</u>	<u>1,102,963</u>	<u>2,741,694</u>
	<u>\$ 2,270,836</u>	<u>\$ 1,780,464</u>	<u>\$ 4,051,300</u>

Interest expense on all notes payable was \$119,692 for the year ended June 30, 2010.

NOTE 5 – SUPPORT FROM STATE, COUNTY AND OTHER AGENCIES

The grants received from the agencies listed below, generally require performance by the Organization and, in certain instances, matching funds to earn the amounts awarded. The Organization is subject to grantor audits, which could result in the questioning of expenditures and other matters relating to earned grants. In management's opinion, the probability of material disallowance of amounts received is unlikely (See Note 7). Support from state, county and municipal agencies for the year ended June 30, 2010 comprised the following:

	Contract Number	Amount
State of Florida Department of Children and Families	JH312	\$ 552,841
Broward County – BHS Samaritan 2008 Permanent Housing Project	10-CP-HIP-8278-HUD-1	67,095
Broward County – Broward II Permanent Supportive Housing Program	10-CP-HIP-8278-HUD-2	50,384
		<u>\$ 670,320</u>

NOTE 6 – CONTRIBUTED SERVICES AND MATERIALS

In-kind contributions consisted of the following for the year ended June 30, 2010:

Materials and supplies	\$ 2,500
Services	<u>18,585</u>
	<u>\$ 21,085</u>

**BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 7 – COMMITMENTS AND CONTINGENCIES

CONTINGENCIES

Amounts received from contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed costs, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that approximately \$42,000 may become a liability of the Organization at the completion of Broward County's audit on funding received through the Broward Housing Samaritan Grant for the fiscal year ended June 30, 2010. Deferred revenue in the above amount has been recorded at June 30, 2010.

LEGAL MATTERS

In the ordinary course of conducting its business, the Organization may become involved in various legal actions and other claims, some of which are currently pending. Litigation is subject to many uncertainties and management may be unable to accurately predict the outcome of individual litigated matters. Some of these matters may possibly be decided unfavorably towards the Organization.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent to year end the Organization received, from the City of Fort Lauderdale, a Community Development Block Grant in the amount of \$50,000 for rental subsidies for use in the organization's 2011 fiscal year.

The Organization adopted ASC Topic 855-10 Subsequent Events (formerly SFAS 165, Subsequent Events) effective April 1, 2009. This pronouncement changed the general standards of accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Management has evaluated the impact of events occurring after June 30, 2010 up to September 29, 2010, the date the statements were available to be issued. These statements contain all necessary adjustments and disclosures resulting from that evaluation.

BROWARD COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2010

Federal/State Grantor, Pass-Through Grantor Federal Program/State Project	CFDA/ CFSA Number	Contract/ Grant Number	Expenditures
Federal Awards			
U.S. Department of Housing and Urban Development:			
Pass-Through Broward County:			
Supportive Housing Program	14.235	10-CP-HIP-8278-HUD-1	\$ 67,095
Supportive Housing Program	14.235	10-CP-HIP-8278-HUD-2	<u>50,384</u>
Total Expenditures of Federal Awards			<u>\$ 117,479</u>
State Financial Assistance			
Florida Department of Children and Families:			
Recovery and Resiliency Mental Health	60.053	JH312	<u>\$ 552,841</u>
Total Expenditures of State Financial Assistance			<u>\$ 552,841</u>

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

**BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Broward County Community Development Corporation, Inc. and 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* and Chapter 10.650, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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
Broward County Community Development Corporation, Inc.
d/b/a Broward Housing Solutions
Fort Lauderdale, Florida**

We have audited the financial statements of Broward County Community Development Corporation, Inc. d/b/a Broward Housing Solutions (the "Organization") as of and for the year ended June 30, 2010, and have issued our report thereon dated September 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards 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 Organization's internal control over financial reporting as a basis for designing our auditing 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 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.

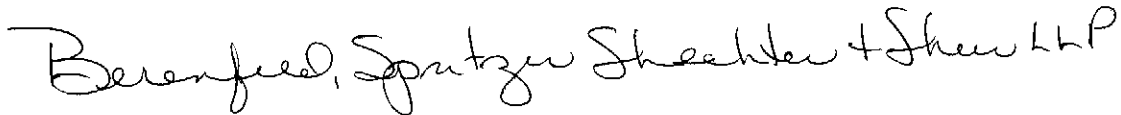
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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

provision 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 the Board of Directors, management of Broward County Community Development Corporation, Inc. and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Berenfeld, Spritzer Shechter & Sheer LLP".

BERENFELD, SPRITZER, SHECHTER & SHEER, LLP
Fort Lauderdale, Florida
September 29, 2010



spritzer + shechter + sheer LLP =
certified public accountants & business advisors

**INDEPENDENT AUDITORS' 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 AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

**To the Board of Directors
Broward County Community Development Corporation, Inc.
d/b/a Broward Housing Solutions
Fort Lauderdale, Florida**

Compliance

We have audited Broward County Community Development Corporation, Inc. d/b/a Broward Housing Solutions' (the "Organization") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the *Executive Office of the Governor's State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and state financial assistance projects for the year ended June 30, 2010. The Organization's major federal programs and state projects 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 and state projects is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization'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; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and Chapter 10.650 Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.650 Rules, 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 major federal programs and state projects occurred. An audit includes examining, on a test basis, evidence about the Organization'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 Organization's compliance with those requirements.

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 each of its major federal programs and state projects for the year ended June 30, 2010.


Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on major federal programs and state projects to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of federal programs and state projects 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 designed 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 solely for the information and use of the Board of Directors, management of Broward County Community Development Corporation, Inc. and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



BERENFELD, SPRITZER, SHECHTER & SHEER, LLP
Fort Lauderdale, Florida
September 29, 2010

**BROWARD COUNTY COMMUNITY DEVELOPMENT CORPORATION, INC.
D/B/A BROWARD HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards and State Financial Assistance Projects

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance for major programs:

Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General?

_____ yes X no

Identification of major programs:

State Financial Assistance Projects

Florida Department of Children and Families:
Recovery and Resiliency Mental Health

CFSA No.
60.053

Dollar threshold used to distinguish between Type A and Type B programs:

State: \$165,852

Auditee qualified as low-risk auditee?

 X yes _____ no

Section II - Financial Statement Findings

None

Section III - Federal Award and State Financial Assistance Project Findings and Questioned Costs

None