

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A
AGAPE FAMILY MINISTRIES**

**FINANCIAL STATEMENTS,
INDEPENDENT AUDITORS' REPORT
AND SUPPLEMENTAL INFORMATION**

JUNE 30, 2011 AND 2010

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

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Independent Accountants' Report

To the Board of Directors
South Florida Jail Ministries, Inc.
d/b/a Agape Families Ministries

We have audited the accompanying statement of financial position of South Florida Jail Ministries, Inc. d/b/a Agape Families Ministries (a Florida Not-for-profit corporation) ("the Agency") as of June 30, 2011, and the related statements of activities and cash flows for the year then ended. The financial statements of the Agency as of June 30, 2010, were audited by other auditors whose report dated September 16, 2010 expressed an unqualified opinion on those statements. These financial statements are the responsibility of the Agency's management. 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 South Florida Jail Ministries, Inc. d/b/a Agape Families Ministries 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 August 29, 2011 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 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 supplemental financial information included in the schedules on pages 14 and 23 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state projects 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 Chapter 10.650 Rules of the Auditor General and is also not a required part of the financial statements of the Agency. 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.

RLMolina, LLC.

August 19, 2011
Miami, Florida



**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010**

ASSETS	<u>2011</u>	<u>2010</u>
Current Assets:		
Cash and cash equivalents	\$ 255,841	\$ 186,314
Grants and contract receivables, net	171,699	191,953
Patient fees receivable, net	85,213	76,497
Prepaid expenses	<u>23,442</u>	<u>17,373</u>
Total current assets	<u>536,195</u>	<u>472,137</u>
Restricted Cash – client trust funds	72,332	34,097
Investment – Prestige Health	4,600	
Property furniture and equipment, net	361,534	455,170
Deposits	5,875	5,875
Other assets	<u> </u>	<u>27,689</u>
Total Assets	<u>\$ 980,536</u>	<u>\$ 994,968</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 124,816	\$ 140,181
Accrued compensation	11,123	12,989
Client trust funds	72,332	34,097
Deferred revenue		25,489
Line of credit	5,521	11,521
Note payable - current portion	<u>5,363</u>	<u> </u>
Total current liabilities	<u>219,155</u>	<u>224,277</u>
Note payable, net of current portion	<u>12,589</u>	<u> </u>
Total liabilities	<u>231,744</u>	<u>224,277</u>
 Net Assets		
Unrestricted	<u>748,792</u>	<u>770,691</u>
Total unrestricted net assets	<u>748,792</u>	<u>770,691</u>
Total Liabilities and Net Assets	<u>\$ 980,536</u>	<u>\$ 994,968</u>

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

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

PUBLIC SUPPORT AND REVENUE	<u>2011</u>	<u>2010</u>
Federal and State grants	\$ 1,654,149	\$ 1,516,439
Patient fees, net	1,303,332	585,544
Other grants and contracts, net	92,277	99,784
In-Kind services and Donations	271,912	
Contributions	<u>25,642</u>	<u>213,821</u>
Total support and revenue	<u>3,347,312</u>	<u>2,415,588</u>
 EXPENSES		
Program services:		
Outpatient	1,140,364	529,706
Residential level II	1,428,763	1,274,367
Medical	100,611	130,635
Case management	169,418	192,342
Child care	<u>29,518</u>	<u>40,707</u>
Total program expenses	<u>2,868,674</u>	<u>2,167,757</u>
Supporting services:		
General and administrative	<u>500,537</u>	<u>412,939</u>
Total Expenses	<u>3,369,211</u>	<u>2,580,696</u>
Decrease in net assets before other changes	(21,899)	(165,108)
Other Changes:		
Hurricane insurance settlement	<u> </u>	<u>183,106</u>
(Decrease) increase in net assets	(21,899)	17,998
Unrestricted net assets, beginning of year	<u>770,691</u>	<u>752,693</u>
Unrestricted net assets, end of year	<u>\$ 748,792</u>	<u>\$ 770,691</u>

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

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

Cash flows from operating activities:	<u>2011</u>	<u>2010</u>
(Decrease) increase in net assets	\$ (21,899)	\$ 17,998
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	149,744	155,169
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Grants and contracts receivable, net	20,254	(68,254)
Patient fee receivable, net	(8,716)	(94,577)
Restricted cash - clients trust funds	(38,235)	(12,215)
Prepaid expenses	(6,069)	524
Increase (decrease) in:		
Accounts payable and accrued expenses	(15,365)	39,483
Accrued compensation	(1,866)	32,266
Deferred Revenue	(25,489)	2,140
Client trust funds	<u>38,235</u>	
Net cash provided by operating activities	<u>90,594</u>	<u>72,534</u>
Cash flows from investing activities:		
Purchase of property and equipment	(56,108)	(2,920)
Sale (purchase) of other assets	27,689	(27,689)
Purchase of investments	<u>(4,600)</u>	
Net cash used in investing activities	<u>(33,019)</u>	<u>(30,609)</u>
Cash flows from financing activities:		
Payment on line of credit	(6,000)	(23,831)
Proceeds from note payable	<u>17,952</u>	
Net cash provided by (used in) financing activities	<u>11,952</u>	<u>(23,831)</u>
Increase in cash and cash equivalents	69,527	18,094
Cash and cash equivalents, beginning of year	<u>186,314</u>	<u>168,220</u>
Cash and cash equivalents, end of year	<u>\$ 255,841</u>	<u>\$ 186,314</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid	<u>\$ 1,526</u>	<u>\$ 6,645</u>

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

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

Note 1 - Organization and Nature of Activities

The South Florida Jail Ministries, Inc. d/b/a Agape Family Ministries (the "Agency") was incorporated in Florida in June 13, 1983 as a nonprofit organization to rehabilitate men and women in Miami-Dade County jail following the guidance of the Miami-Dade Religious director.

Programs

The Agency operates five major programs namely, Agape Residential, Agape Mommy and Me, Agape Children of Inmates, Agape Outpatient Services and Agape/South Florida Jail Ministries.

(a) Agape Residential

Agape Residential Programs are located on a state of the art facility. Agape serves individuals involved with Department of Children and Families (DCF), Forensic, Criminal Justice System, State Mental Health System and Hospitals, Homeless, or at risk of becoming involved in the system with severe and persistent mental illness and/or chronic substance abuse co-occurring disorders. Agape offers a Comprehensive, Continuous, and Integrated System of Care (CCISC) which includes the Mother and Child Reunification Program. This initiative is designed to meet the urgent need to rehabilitate and strengthen the family bond, while keeping children out of the Foster Care System, More specifically, Agape offers women with small children in the same facility, establishing a healthy bond. In conjunction with specialized treatment, this residential program offers extensive parenting training and support.

(b) Agape Children of Inmates

This is a Service Network for Children of Inmates through the Children's Trust. This assures children with incarcerated parents the opportunity to be cared for and supported in their development by responsible adults, helping professionals, and a community that is sensitive to their special needs.

(c) Agape Outpatient Services

Outpatient Services provides psychiatric and psychotherapy services, counseling, day psychosocial rehabilitation, case management, counseling, housing, and prevention training to individual, families, and children. Agape outpatient programs serve in communities, public schools, on-site, and other specialized locations.

(d) Agape/South Florida Jail Ministries

South Florida Jail Ministries (SFJM) comprises a network of over 20 Chaplains covering every JAIL facility of Miami-Dade County Corrections. SFJM provides more than 500 classes every month with thousands of inmates rehabilitated and restored to their families. Over 100 Diverse Worship Centers and Synagogues join together with over 500 volunteers to reach this underserved population. The SFJM Faith Works Re-Entry program helps inmates reconcile and transition back to their families with dignity and hope, receive continued education and job training, secure a job, receive a mentor, and join a place of worship, all before leaving jail.

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

Note 2 - Summary of Significant Accounting Policies

A summary of significant accounting policies followed in the accompanying financial statements is presented below:

Basis of Accounting

The financial statements of the Agency have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America. In September 2009, the Financial Accounting Standards Board ("FASB") implemented the Accounting Standards Codification ("ASC") which establishes FASB ASC as the source of authoritative U.S. accounting and reporting standards for nongovernmental entities. Presented below is a summary of significant accounting principles followed in the preparation of the accompanying financial statements.

Financial Statement Presentation

These financial statements are prepared in accordance with FASB ASC. In accordance with these standards, net assets, revenues, expenses, gains and losses are classified as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and /or nature of any donor restrictions. Accordingly, net assets of the Agency are classified as follows:

Unrestricted net assets - are the part of net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets – result from contributions and other flows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be removed by actions of the organization pursuant to those stipulations.

Permanently restricted net assets - result from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Agency. In addition, the Agency is required to present a statement of cash flows.

At the close of business on June 30, 2011 and 2010, all of the Agency's net assets were classified as unrestricted.

The primary source of revenue for the Agency consists of grants and contracts which, absent a specific restriction by the grantor, are considered to be available for unrestricted use. Grant and contract revenue includes only that portion of the grant and contract that was earned prior to the balance sheet date. All grant and contract funds received as of the statement of financial position date which is considered to be applicable to future periods are reflected as deferred revenue on the statement of financial position or temporarily restricted net assets, where applicable.

A secondary source of revenue for the Agency is the fees it collects from its patients for services consistent with its primary business functions of operating its medical and counseling activities.

Additionally, the Agency also generates income from corporate and individual contributions and donations. These donations take the form of cash and materials and services. All non-cash donations are recorded as In-kind donations.

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

Note 2 - Summary of Significant Accounting Policies (Cont'd.)

Financial Statement Presentation (Cont'd.)

The costs of providing the various programs and other activities have been detailed in the accompanying Statements of Activities.

Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative costs incurred. Administrative and other support expenses are allocated to the various programs based on each program's salary expense.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and money market funds. The Agency considers investment with maturities of three months or less at the time of purchase to be cash equivalents unless they are held as part of the endowment portfolio or in trust for annuity obligations.

Grants and Contracts Receivable

Amounts reflected as grants and contracts receivable represent the differences between the grant awards (federal, state and local) and contractual revenue (federal and state) earned and cash receipts related to these awards and revenue. Grant and contracts revenue is recognized to the extent that these funds are earned. The Agency believes that the concentration associated with its grants and contracts receivable is mitigated by the fact that the majority of the grants and contracts receivable at year end are due mainly from state and federal agencies.

Patient Fees Receivable, Net

Patient fees receivable are reported at their outstanding unpaid principal balances reduced by an allowance for doubtful accounts. The Agency estimates doubtful accounts based on historical bad debts, factors related to specific patients' ability to pay and current economic trends. The Agency writes off accounts receivable against the allowance when a balance is determined to be uncollectible.

Restricted Cash – Clients Trust Funds

The patients of the Agency remit their social security benefits to the Agency. The patients can request at any time to have their funds released upon timely request. The balance as of June 30, 2011 and 2010 totaled approximately \$72,000 and \$34,000, respectively.

Property Furniture and Equipment, net

Property furniture and equipment are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements and capitalized leased assets are amortized using the straight-line method over the term of their respective leases or their useful life, whichever is shorter. Depreciation and amortization expense for the year ended June 30, 2011 and 2010, amounted to approximately \$150,000 and \$155,000, respectively.

It is the Agency's policy to capitalize property and equipment over \$500; lesser amounts are expensed.

SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 2 - Summary of Significant Accounting Policies (Cont'd.)

Compensated absences

The Agency's policies provide for granting of a specific number of days of vacation and sick leave with pay. In addition, these policies provide for paying an employee for unused vacation and holiday upon termination. Compensated absences are accrued when earned.

Grants and Contracts Revenue

Revenue from government grants and contracts designated for use in specific activities is recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions. Grants and contracts awarded for the acquisition of long-lived assets are reported as unrestricted Non-operating revenue, in the absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as refundable advances.

Patient Fees, Net

Patient fees, net is reported at the estimated net realizable amounts from patients, third-party payors, including the Florida Agency for Health Care Administration (AHCA) for Medicaid payments and others for services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at net patient revenue.

Donated Materials and Services

Donated materials and services are reflected as In-kind contributions and expenses at their estimated fair value at date of receipt. Donated services are recognized when meeting the following criteria:

- a. The services performed are a normal part of the program or supporting services and would otherwise be performed by salaried personnel.
- b. The Agency exercises control over employment, activities, and duties of the provider of the service.
- c. There is a measurable basis for determining the value of the service.

The Agency, in cooperation with certain institutions of higher learning, participates in internship programs. The student interns are in the related fields of mental health and social service, most of whom are uncompensated members of the program staff. The value of their donated services is recorded at a comparable hourly rate of compensation for a person having their capability, education and training. The value of the donated materials including medical contributions, and services recognized for the year ended June 30, 2011 in these financial statements, was approximately \$272,000.

Reclassifications

Certain accounts in the 2010 financial statements have been reclassified for comparative purposes to conform to the presentation in the 2011 financial statements.

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

Note 2 - Summary of Significant Accounting Policies (Cont'd.)

Income Taxes

The Organization was organized as a not-for-profit corporation and has received an exemption under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is provided for in the accompanying financial statements. In addition, the Agency has also been determined by the Internal Revenue service not to be a "private foundation" within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Allocation of administrative and indirect costs

Directly identifiable expenses are charged to programs and supporting services. Management and general administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support of the Center. Such expenses are allocated on the basis of occupancy of square footage. Depreciation is allocated on the basis of usage of the related property, plant and equipment.

Accounting for uncertainty in income taxes

The FASB ASC interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Under this guidance, the Agency may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Agency and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years ended June 30, 2011 and 2010.

The Agency files forms 990 in the U.S. federal jurisdiction. Management believes that the Agency is generally no longer subject to examination by the Internal Revenue Service for fiscal years before June 30, 2007.

Subsequent events

Under FASB ASC, subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the financial statements are issued or ready to be issued. The Agency recognizes in the financial statements the effect of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including estimates inherent in the process of preparing the financial statements. The Agency's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the financial statements are issued. The Agency has evaluated the subsequent events through August 29, 2011, which is the date the financial statements were available to be issued.

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

Note 2 - Summary of Significant Accounting Policies (Cont'd.)

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 and disclosures contained in the financial statements. Actual results could differ from those estimates.

Note 3 – Cash and Cash Equivalents

The Agency maintains its cash accounts in several financial institutions. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for each institution (until 2013). The Agency has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk at June 30, 2011.

Note 4 — Grants and Contracts Receivable

Grants and contracts receivable have been recorded for costs incurred by the Agency, which have not yet been reimbursed by the various grantor agencies. A detail of significant grants and contracts receivable at June 30, are as follows:

<u>Grants Description</u>	<u>2011</u>	<u>2010</u>
South Florida Behavioral Network/DCF	\$ 156,596	\$ 189,203
Children’s Trust - Children of Inmates Partnership	<u>15,103</u>	<u>2,750</u>
Total Grants Receivable	<u>\$ 171,699</u>	<u>\$ 191,953</u>

Note 5 - Patient Fees Receivable, Net

Patient fees receivable consists of receivables from Medicaid, self-pay and third party payors. The patient fees receivable are recorded on the accrual basis of accounting based on services provided, net of contractual allowance and an allowance for doubtful accounts. Patient fees receivable, net consist of the following at June 30:

<u>Patient Fees Description</u>	<u>2011</u>	<u>2010</u>
Medicaid	\$ 87,755	\$ 91,185
Self-pay	<u>1,442</u>	<u> </u>
	89,197	91,185
Less: allowance for doubtful accounts and contractual allowance	<u>(3,984)</u>	<u>(14,688)</u>
Total Patient fees Receivable, Net	<u>\$ 85,213</u>	<u>\$ 76,497</u>

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

Note 7 - Property, Furniture and Equipment

Property, furniture and equipment consist of the following:

<u>Description:</u>	<u>2011</u>	<u>2010</u>	<u>Useful Life</u>
Land	\$ 130,000	\$ 130,000	
Buildings and improvements	1,906,129	1,878,035	15 years
Green house	39,500	39,500	Fully depreciated
Furniture and fixtures	389,606	389,606	25 years
Office equipment	28,252	28,252	5 years
Computer hardware	34,291	33,092	25 years
Computer software	37,020	37,020	25 years
Auto & trucks	<u>49,794</u>	<u>22,979</u>	25 years
	2,614,592	2,555,564	
Less: accumulated depreciation and amortization	<u>(2,253,058)</u>	<u>(2,103,314)</u>	
Property Furniture and Equipment, Net	<u>\$ 361,534</u>	<u>\$ 455,170</u>	

Note 9 – Note Payable

Long-term debt consists of the following at January 31:

	<u>2011</u>	<u>2010</u>
A 7.15% five-year note payable to Metro Ford Lincoln Mercury. Monthly installment of \$534.43 starting July 12, 2010 until liquidation in June 2015.	\$ 17,952	\$
Less: current maturities	<u>(5,363)</u>	<u> </u>
Long-term portion	<u>\$ 12,589</u>	<u>\$ </u>

The aggregate amount of principal payments on long-term debt during the years is as follows:

Year ending January 31,	
2012	\$ 5,363
2013	5,363
2014	5,363
2015	<u>1,863</u>
	<u>\$ 17,952</u>

Cash paid for interest on obligations under long-term debt agreements during the year ended June 30, 2011 and 2010 was \$1,526 and \$6,645.

Note 8 - Line of Credit

The Agency has a line of credit available with Regions Bank totaling \$200,000. It is payable on demand with interest accruing monthly at the prime rate plus 6.5%. The line of credit is collateralized by all of the Agency's assets that were not purchased with State and federal funding. The balance due as of June 30, 2011 and 2010 was \$5,521 and \$11,521, respectively.

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

Note 9 - Client Trust Funds

The Agency offers a cash management service to its residents. These funds remain the sole property of each respective resident, to be disbursed only as requested. The Agency has a fiduciary duty of accountability for these funds. At June 30, 2011 and 2010, these fund balances were approximately \$72,000 and \$34,000, respectively.

Note 10 – Commitments And Contingencies

Leases

The Agency leased various operating equipment and facilities. Rent expense for the years ended June 30, 2011 and 2010 was approximately \$14,000 and \$21,000, respectively. The facilities and equipment are under non-cancelable operating leases requiring figure minimum payments as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 12,600
2013	12,600
2014	12,600
2015	<u>11,550</u>
	<u>\$ 49,350</u>

Grantors

The Agency receives a significant portion of its funding from public grants. A significant reduction in the level of this funding, if this were to occur, would have an effect on the Agency's ability to carry out its programs and activities. Costs reflected in the accompanying financial statements relating to government funded programs are subject to audit by the Grantor. The possible disallowance by the grantor of any item charged to the program cannot be determined at this time. No provision for any liability that may result has been made in the financial statements.

Note 15 - Related-Party Transactions

Integrated Program Services

The Agency is a member of Health Choice Network, Inc., ("Health Choice Network") a consortium of Community Health Centers organized to improve the quality and quantity of health care services to the medically underserved. As a result of being a member, the Agency incurred and paid to Health Choice Network approximately \$209,000 and \$168,000 for fiscal integrated services, fiscal MIS services, centralized billing, communication and other miscellaneous costs for the years ended June 30, 2011 and 2010, respectively.

Investment - Prestige Health Choice, LLC.

On June 30, 2010, the Agency purchased 23 units in Prestige Health Choice, LLC, ("Prestige") a Health Maintenance Organization (HMO) owned by Health Choice Network, Inc. and its Member Organizations. Membership calls for an investment of a certain amount based on the size of each member health care center. At June 30, 2011, the Agency's investment in Prestige amounted to \$4,600.

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A
AGAPE FAMILY MINISTRIES**

**REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Description</u>	<u>Program Services</u>					<u>Supporting Services</u>		<u>Total</u>
	<u>Outpatients</u>	<u>Residential Level II</u>	<u>Medical Services</u>	<u>Case Management</u>	<u>ChildCare</u>	<u>Total Program Services</u>	<u>General & Admin</u>	
Salaries	\$ 863,531	\$ 721,042	\$ 62,239	\$ 113,220	\$ 15,805	\$ 1,775,837	\$ 229,671	\$ 2,005,508
Fringe benefits	86,594	127,982	15,702	24,214	10,996	265,488	21,444	286,932
Building occupancy		39,700			280	39,980	48,679	88,659
Professional services	33,718	28,757	2,548			65,023	271,634	336,657
Travel	4,756	1,874		3,229		9,859	10,660	20,519
Equipment - >\$1,000							15,796	15,796
Food services		93,025				93,025		93,025
Medical and pharmacy and others		61,874				61,874		61,874
Utilities & telephone	600	41,592				42,192	16,756	58,948
Insurance		28,788				28,788	17,729	46,517
Interest							476	476
Operating supplies & expenses	1,772	1,581		40		3,393	37,612	41,005
Other	650	10,097		479		11,226	152,325	163,551
Depreciation							149,744	149,744
Total	991,621	1,156,312	80,489	141,182	27,081	2,396,685	972,526	3,369,211
Allocation of overhead	148,743	272,451	20,122	28,236	2,437	471,989	(471,989)	
Total functional expenses	<u>\$ 1,140,364</u>	<u>1,428,763</u>	<u>\$ 100,611</u>	<u>\$ 169,418</u>	<u>\$ 29,518</u>	<u>\$ 2,868,674</u>	<u>\$ 500,537</u>	<u>\$ 3,369,211</u>

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Description</u>	<u>Program Services</u>					<u>Supporting Services</u>		<u>Total</u>
	<u>Outpatients</u>	<u>Residential Level II</u>	<u>Medical Services</u>	<u>Case Management</u>	<u>Child Care</u>	<u>Total Program Services</u>	<u>General & Admin</u>	
Salaries	\$ 396,191	\$ 667,478	\$ 59,163	\$ 141,420	\$ 29,662	\$ 1,293,914	\$ 168,293	\$ 1,462,207
Fringe benefits	45,088	107,898	8,141	18,021	7,022	186,169	25,304	211,474
Building occupancy		15,133			60	15,193	23,462	38,655
Professional services	14,732	23,387	37,203	484		75,806	304,565	380,371
Travel	3,141	187		360	527	4,215	11,470	15,686
Equipment - >\$1,000							16,164	16,164
Food services		80,465				80,465	3,038	83,502
Medical and pharmacy and others		38,233				38,233		38,233
Utilities & telephone	600	40,064				40,664	16,868	57,532
Insurance		37,242				37,242	24,828	62,070
Interest							6,645	6,645
Operating supplies & expenses	640	5,555			75	6,270	23,324	29,594
Other	222	5,392				5,614	17,780	23,394
Depreciation							155,169	155,169
Total	460,614	1,021,033	104,508	160,285	37,346	1,783,786	796,910	2,580,696
Allocation of overhead	69,092	253,334	26,127	32,057	3,361	383,971	(383,971)	
Total functional expenses	<u>\$ 529,706</u>	<u>\$ 1,274,367</u>	<u>\$ 130,635</u>	<u>\$ 192,342</u>	<u>\$ 40,707</u>	<u>\$ 2,167,757</u>	<u>\$ 393,880</u>	<u>\$ 2,580,696</u>

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
COST CENTER ACTUAL EXPENSES AND REVENUE SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2011**

AGENCY: SFJM dba Agape Family Ministries

CONTRACT #: KD228-03

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES A	STATE-DESIGNATED SAMH COST CENTERS							Non-SAMH Cost Center G	Total Funding (F+G) H
	STATE SAMH-FUNDED COST CENTERS				Total for State SAMH- Funded Cost Centers D	Tot. for All State- Designated SAMH Cost Centers (D+E) F			
	Outpatient	Residential Level II	Medical Services	Case Management					
IA. TOTAL STATE SAMH FUNDING									
(1) South Florida Provider Coalition		\$1,331,972	\$3,001	\$46,034	\$1,381,008	\$1,381,008		\$1,381,008	
(2) Department of Children and Family		253,136	5,005	15,000	273,141	273,141	-	273,141	
TOT STATE SAMH FUNDING		1,585,108	8,006	61,034	1,654,149	1,654,149	-	1,654,149	
IB. OTHER GOVT. FUNDING									
(1) Homeless Trust									
(2) Medicaid	1,180,889	57,747			1,238,636	1,238,636		1,238,636	
(3) Local Government	92,277				92,277	92,277		92,277	
TOT. OTHER GOVT. FUNDING =	1,273,167	57,747	-	-	1,330,914	1,330,914	-	1,330,914	
IC. ALL OTHER REVENUES									
(1) 1st & 2nd Party Payments	595	41,446			42,041	42,041	-	42,041	
(2) 3rd Party Payments (except Medicare)	62	48,144			48,206	48,206		48,206	
(3) Medicare								-	
(4) Contributions and Donations							261,603	261,603	
(5) Other							10,400	10,400	
TOT. ALL OTHER REVENUES =	657	89,590	-	-	90,247	90,247	272,003	362,250	
TOTAL FUNDING =	\$1,273,824	\$1,732,445	\$8,006	\$61,034	\$3,075,309	\$3,075,309	\$272,003	\$3,347,312	

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
COST CENTER ACTUAL EXPENSES AND REVENUE SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2011**

AGENCY: SFJM dba Agape Family Ministries

CONTRACT #: KD228-03

PART I: ACTUAL EXPENSES

FUNDING SOURCES & REVENUES A	STATE-DESIGNATED SAMH COST CENTERS						Tot. for All State- Designated SAMH Cost Centers (D+E) F	Other Support Cost G	Non-SAMH Cost Center H	Total Funding (F+G+H) I
	STATE SAMH-FUNDED COST CENTERS									
	Outpatient	Residential Level II	Medical Services	Case Management	Child Care	Total for State SAMH-Funded Cost Centers D				
IIA. PERSONNEL EXPENSES										
(1) Salaries	\$863,531	\$721,042	\$62,239	\$113,220	\$15,805	\$1,775,836	\$1,775,836		\$229,671	\$2,005,508
(2) Fringe Benefits	86,594	127,982	15,702	24,214	10,996	265,488	265,488		21,444	286,932
TOTAL PERSONNEL EXPENSES =	950,125	849,024	77,941	137,434	26,800	2,041,324	2,041,324		251,115	2,292,440
IIB. OTHER EXPENSES										
(1) Building Occupancy		39,700			280	39,980	39,980		48,679	88,659
(2) Professional Services	33,718	28,757	2,548			65,023	65,023		271,634	336,657
(3) Travel	4,756	1,874		3,229		9,858	9,858		10,660	20,518
(4) Equipment						-	-		15,796	15,796
(5) Food Services		93,025				93,025	93,025			93,025
(6) Medical and Pharmacy & Other		61,874				61,874	61,874			61,874
(8) Utilities & Telephone	600	41,592				42,192	42,192		16,756	58,948
(8) Insurance		28,788				28,788	28,788		17,729	46,517
(9) Interest Paid						-	-		476	476
(10) Operating Supplies & Expenses	1,772	1,581		40		3,393	3,393		37,612	41,005
(11) Other	650	10,097		479		11,226	11,226		152,325	163,551
(12) Depreciation								149,745		149,745
TOTAL OTHER EXPENSES =	41,496	307,288	2,548	3,748	280	355,359	355,359	149,745	571,667	1,076,772
TOT. PERSONNEL & OTH. EXP. =	991,621	1,156,312	80,489	141,182	27,080	2,396,683	2,396,683	149,745	822,783	3,369,211
IIC. DISTRIBUTED INDIRECT COSTS										
(a) Other Support Cost		18,063				18,063	18,063	(149,745)	131,683	-
(b) Administration	148,743	254,389	20,122	28,236	2,437	453,927	453,927	-	(453,927)	-
TOT. DISTR'D INDIRECT COSTS =	148,743	272,451	20,122	28,236	2,437	471,990	471,990	(149,745)	(322,245)	-
TOTAL PROJECTED OPER. EXPENSES =	\$1,140,364	\$1,428,763	\$100,611	\$169,418	\$29,518	\$2,868,673	\$2,868,673	\$0	\$500,538	\$3,369,211
IID. UNALLOWABLE COSTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
COST CENTER ACTUAL EXPENSES AND REVENUE SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2010**

AGENCY: <u>SFJM dba Agape Family Ministries</u>								
CONTRACT #: <u>KD228-03</u>								
PART I: ACTUAL FUNDING SOURCES & REVENUES								
	STATE-DESIGNATED SAMH COST CENTERS							
	STATE SAMH-FUNDED COST CENTERS							
FUNDING SOURCES & REVENUES A	Outpatient	Residential Level II	Medical Services	Case Management	Total for State SAMH-Funded Cost Centers D	Tot. for All State- Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center G	Total Funding (F+G) H
IA. TOTAL STATE SAMH FUNDING								
(1) South Florida Provider Coalition		\$314,139	\$10,978	\$10,295	\$335,411	\$335,411		\$335,411
(2) Department of Children and Family		\$941,329	\$196,727	\$42,972	\$1,181,028	\$1,181,028	\$0	\$1,181,028
TOT STATE SAMH FUNDING	\$0	\$1,255,468	\$207,705	\$53,266	\$1,516,439	\$1,516,439	\$0	\$1,516,439
IB. OTHER GOVT. FUNDING								
(1) Homeless Trust					\$0	\$0		\$0
(2) Medicaid	\$390,626	\$144,591			\$535,217	\$535,217		\$535,217
(3) Local Government	\$99,565				\$99,565	\$99,565		\$99,565
TOT. OTHER GOVT. FUNDING =	\$490,191	\$144,591	\$0	\$0	\$634,782	\$634,782	\$0	\$634,782
IC. ALL OTHER REVENUES								
(1) 1st & 2nd Party Payments		\$35,396			\$35,396	\$35,396	\$0	\$35,396
(2) 3rd Party Payments (except Medicare)		\$55,601			\$55,601	\$55,601		\$55,601
(3) Medicare								\$0
(4) Contributions and Donations							\$146,373	\$146,373
(5) Other							\$81,600	\$81,600
TOT. ALL OTHER REVENUES =	\$0	\$90,996	\$0	\$0	\$90,996	\$90,996	\$227,972	\$318,969
TOTAL FUNDING =	\$490,191	\$1,491,055	\$207,705	\$53,266	\$2,242,217	\$2,242,217	\$227,972	\$2,470,190

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
COST CENTER ACTUAL EXPENSES AND REVENUE SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2010**

AGENCY: <u>SFJM dba Agape Family Ministries</u>										
CONTRACT #: <u>KD228-03</u>										
PART I: ACTUAL EXPENSES										
FUNDING SOURCES & REVENUES A	STATE-DESIGNATED SAMH COST CENTERS						Total for All State- Designated SAMH Cost Centers (D+E) F	Other Support Cost G	Non-SAMH Cost Center H	Total Funding (F+G+H) I
	Outpatient	Residential Level II	Medical Services	Case Management	Child Care	Total for State SAMH-Funded Cost Centers D				
IIA. PERSONNEL EXPENSES										
(1) Salaries	\$396,191	\$667,478	\$59,163	\$141,420	\$29,662	\$1,293,914	\$1,293,914		\$168,293	\$1,462,207
(2) Fringe Benefits	\$45,088	\$107,898	\$8,141	\$18,021	\$7,022	\$186,169	\$186,169		\$25,304	\$211,474
TOTAL PERSONNEL EXPENSES =	\$441,279	\$775,376	\$67,305	\$159,441	\$36,683	\$1,480,083	\$1,480,083		\$193,597	\$1,673,681
IIB. OTHER EXPENSES										
(1) Building Occupancy		\$15,133			\$60	\$15,193	\$15,193		\$23,462	\$38,655
(2) Professional Services	\$14,732	\$23,387	\$37,203	\$484		\$75,806	\$75,806		\$304,565	\$380,371
(3) Travel	\$3,141	\$187		\$360	\$527	\$4,215	\$4,215		\$11,470	\$15,686
(4) Equipment						\$0	\$0		\$16,164	\$16,164
(5) Food Services		\$80,465				\$80,465	\$80,465		\$3,038	\$83,502
(6) Medical and Pharmacy & Other		\$38,233				\$38,233	\$38,233			\$38,233
(8) Utilities & Telephone	\$600	\$40,064				\$40,664	\$40,664		\$16,868	\$57,532
(8) Insurance		\$37,242				\$37,242	\$37,242		\$24,828	\$62,070
(9) Interest Paid						\$0	\$0		\$6,645	\$6,645
(10) Operating Supplies & Expenses	\$640	\$5,555			\$75	\$6,270	\$6,270		\$23,324	\$29,594
(11) Other	\$222	\$5,392				\$5,614	\$5,614		\$17,780	\$23,394
(12) Depreciation								\$155,169		\$155,169
TOTAL OTHER EXPENSES =	\$19,335	\$245,658	\$37,203	\$844	\$663	\$303,703	\$303,703	\$155,169	\$448,144	\$907,015
TOT. PERSONNEL & OTH. EXP. =	\$460,614	\$1,021,033	\$104,508	\$160,285	\$37,346	\$1,783,786	\$1,783,786	\$155,169	\$641,741	\$2,580,696
IIC. DISTRIBUTED INDIRECT COSTS										
(a) Other Support Cost		\$28,706				\$28,706	\$28,706	-\$155,169	\$126,462	\$0
(b) Administration	\$69,092	\$224,627	\$26,127	\$32,057	\$3,361	\$355,264	\$355,264	\$0	-\$355,264	\$0
TOT. DISTR'D INDIRECT COSTS =	\$69,092	\$253,334	\$26,127	\$32,057	\$3,361	\$383,971	\$383,971	-\$155,169	-\$228,802	\$0
TOTAL PROJECTED OPER. EXPENSES =	\$529,706	\$1,274,367	\$130,635	\$192,342	\$40,707	\$2,167,757	\$2,167,757	\$0	\$412,939	\$2,580,696
IID. UNALLOWABLE COSTS										
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2011**

1. Total Expenditures	\$ 3,369,211
2. Less other State and Federal funds	(0)
3. Less Non-Match SAMH funds	(1,455,377)
4. Less unallowable costs (65E-14, F.A.C.)	<u>(1,238,636)</u>
5. Net Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	675,198
6. Maximum Available Earnings (Line 5 times 75%)	506,399
7. Amount of State Funds Requiring Match (Enter the total amount of contract funds paid by the department, less line 3.)	<u>(198,772)</u>
8. Amount Due to Department (Subtract line 7 from line 6. If negative, the amount of the difference is due the Department up to the amount on line 7)	<u>\$ 307.62</u>

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2010**

1. Total Expenditures	\$ 2,580,696
2. Less other State and Federal funds	
3. Less Non-Match SAMH funds	(1,516,439)
4. Less unallowable costs (65E-14, F.A.C.)	<u>(535,217)</u>
5. Net Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	<u>529,040</u>
6. Maximum Available Earnings (Line 5 times 75%)	396,780
7. Amount of State Funds Requiring Match (Enter the total amount of contract funds paid by the department, less line 3.)	<u>(157,962)</u>
8. Amount Due to Department (Subtract line 7 from line 6. If negative, the amount of the difference is due the Department up to the amount on line 7)	<u>\$ 238,818</u>

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A
AGAPE FAMILY MINISTRIES**

COMPLIANCE SECTION

JUNE 30, 2011



RLMOLINA, LLC
ACCOUNTANTS & BUSINESS CONSULTANTS
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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
South Florida Jail Ministries, Inc.
d/b/a Agape Families Ministries
Miami, Florida

We have audited the financial statements of South Florida Jail Ministries, Inc. d/b/a Agape Families Ministries (a Florida Not-for-profit corporation) ("the Agency") as of June 30, 2011, and have issued our report thereon dated August 29, 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 Agency'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 Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 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 Agency'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 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 and federal, state and local awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

RL Molina, LLC.

August 29, 2011
Miami, Florida





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**Independent Auditor's Report On Compliance With Requirements
That Have A Direct And Material Effect On Each Major Federal
Program And State Project 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
South Florida Jail Ministries, Inc.
d/b/a Agape Families Ministries
Miami, Florida

Compliance

We have audited the compliance of South Florida Jail Ministries, Inc. d/b/a Agape Families Ministries (a Florida Not-for-profit corporation) ("the Agency") 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 the requirements described in the Department of Financial Services' State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended June 30, 2011. The Agency'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 Agency's management. Our responsibility is to express an opinion on the Agency'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, Chapter 691-5, Schedule of Expenditures of State Financial Assistance, Rules of the Department of Financial Assistance, and Chapter 10.650 of the Auditor General 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 or state projects occurred. An audit includes examining, on a test basis, evidence about the Agency'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 on the Agency's compliance with those requirements.

In our opinion, South Florida Jail Ministries, Inc. d/b/a Agape Families Ministries 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 and state projects for the year ended June 30, 2011.

Internal Control Over Compliance

The management of South Florida Jail Ministries, Inc. d/b/a Agape Families Ministries ("the Agency") is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Agency's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project 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 Agency's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the Agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that material noncompliance with any type of compliance requirement of a federal program or state project will not be prevented or detected by the Agency's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Agency's board of directors, management and federal, state and local awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

RL Molina, LLC.

August 29, 2011
Miami, Florida

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section I -Summary of Auditor's Results

Type of auditor's report issued:

Unqualified Opinion

Internal control over financial reporting:

- Significant deficiencies identified? ___ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? ___ Yes X None Reported
- Noncompliance material to financial statements noted? ___ Yes X No

Federal Program

Internal control over major programs:

- Significant deficiencies identified? ___ Yes X No
- Significant deficiencies 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 Circular A-133? ___ Yes X No

Identification of Major Programs:

CFDA Numbers Name of Federal Program or Cluster

**US Department of Health and Human Services -
Pass-through South Florida Behavioral Network, Inc.**

93.959 Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes ___ No

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section II - Financial Statement Findings

No findings were reported.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No findings were reported.

Section IV - Federal Awards and State Financial Assistance Summary of Prior Audit Findings

No findings were reported.

Section V - Financial Assistance -Management Letter

No management letter was issued.

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Federal/State Agency, Pass-Through Entity Federal Program/State Project</u>	<u>CFDA/ CSFA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Amounts to Sub-recipients</u>
FEDERAL AWARDS:				
U.S. Department of Health and Human Services				
Pass-through South Florida Behavioral Network, Inc.				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	KH 225-03	\$ 472,793	\$
Temporary Assistance for the Needy Family	93.558	KH 225-03	<u>39,736</u>	<u> </u>
Total Expenditures of Federal Awards			<u>512,529</u>	<u> </u>
 STATE PROJECTS:				
Florida Department of Children and Families:				
Pass-through South Florida Behavioral Network, Inc.				
Adult Mental Health - Special Projects - Recovery and Resiliency	60.063	KH 194	273,141	
Indigent Psychiatric Medication Program	60.039	KH 225-03	<u>873,261</u>	<u> </u>
Total Expenditures of State Financial Assistance			<u>1,146,402</u>	<u> </u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 1,658,931</u>	<u>\$</u>

**SOUTH FLORIDA JAIL MINISTRIES, INC.
D/B/A AGAPE FAMILY MINISTRIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2011**

General

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance presents the activity of all federal awards programs and state projects of South Florida Jail Ministries, Inc. d/b/a Agape Family Ministries (“the Agency”) for the year ended June 30, 2011. All federal awards and state projects expended from federal and state agencies are included in this Schedule.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance include the federal and state grant activities of the Agency 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 the State of Florida Single Audit Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.