

**COMMUNITY CONNECTIONS OF  
JACKSONVILLE, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2009 AND 2008**

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**

**TABLE OF CONTENTS**

**Independent Auditor’s Report**.....1

**Financial Statements:**

Statements of Financial Position.....3  
Statements of Activities.....4  
Statements of Functional Expenses.....5  
Statements of Cash Flows.....7  
Notes to Financial Statements.....8

**REPORTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS OF THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO), PROVISIONS OF THE U.S. OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133:***

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*.....21  
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....23  
Schedule of Findings and Questioned Costs.....25

**SUPPLEMENTARY INFORMATION:**

Schedule of Expenditures of Federal Awards..... 26  
Notes to Schedule of Expenditures of Federal Awards..... 27  
Schedules of Assets, Liabilities and Net Assets of the Florence N. Davis Center Rental Division.....28  
Schedules of Operations and Net Assets of the Florence N. Davis Center Rental Division.....29  
Schedules of Cash Flows of the Florence N. Davis Center Rental Division.....30



**Harbeson, Fletcher & Bateh, LLP**  
Certified Public Accountants

E. Cobb Harbeson  
John C. Fletcher, Jr.  
Raymond Z. Bateh  
M. Ronald Hargraves, Jr.

**INDEPENDENT AUDITOR'S REPORT**

April 14, 2010

To the Board of Directors of  
Community Connections of Jacksonville, Inc.

We have audited the accompanying statements of financial position of Community Connections of Jacksonville, Inc. (a nonprofit organization) as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Community Connections of Jacksonville, Inc. as of December 31, 2008, were audited by other auditors whose report dated April 28, 2009, expressed an unqualified opinion on those statements. As discussed in Note 9 to the financial statements, the Organization has restated its 2008 financial statements. The other auditors reported on the financial statements before the restatement.

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 Community Connections of Jacksonville, Inc. as of December 31, 2009, 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.

To the Board of Directors of  
Community Connections of Jacksonville, Inc.

We also audited the adjustments described in Note 9 that were applied to restate the 2008 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to Community Connection of Jacksonville, Inc.'s 2008 financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2008 financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2010, on our consideration of Community Connections of Jacksonville, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is 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 basic financial statements of Community Connections of Jacksonville, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The schedules of assets, liabilities and net assets, schedules of operations and net assets, and the schedules of cash flows of the Florence N. Davis Rental Division are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Harbeson, Fletcher & Bateh, LLP*

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

	December 31,	
	2009	2008
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 325,502	\$ 569,313
Accounts receivable:		
Contracts and grants	850,089	728,287
Other	15,424	4,099
Investments (Note 2)	542,831	481,770
Deposits and prepaid expenses	27,898	32,326
Other assets	7,935	10,355
Property and equipment (Note 3)	<u>2,899,719</u>	<u>2,872,594</u>
 Total assets	 <u>\$4,669,398</u>	 <u>\$4,698,744</u>

**LIABILITIES AND NET ASSETS**

Notes payable (Note 4)	\$1,319,494	\$1,385,339
Accounts payable	35,884	43,744
Accrued expenses	477,946	479,833
Deferred revenue	692,586	622,989
Tenant deposits	8,241	4,300
Funds held in custody	<u>57,648</u>	<u>79,261</u>
Total liabilities	<u>2,591,799</u>	<u>2,615,466</u>
 Net assets (Note 9):		
Unrestricted	1,714,659	1,732,530
Temporarily restricted	<u>362,940</u>	<u>350,748</u>
Total net assets	<u>2,077,599</u>	<u>2,083,278</u>
 Total liabilities and net assets	 <u>\$4,669,398</u>	 <u>\$4,698,744</u>

See Independent Auditor's Report and Notes to Financial Statements.

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**STATEMENTS OF ACTIVITIES**

	Year Ended December 31,	
	2009	2008
<b><u>Changes in Unrestricted Net Assets</u></b>		
Support and revenues:		
United Way of Northeast Florida, Inc.	\$ 293,125	\$ 266,361
Contracts and grants	4,828,450	4,143,999
Contributions	272,713	365,249
Contributions, in-kind	4,094	6,511
Rental income	251,184	196,151
Program service fees	158,245	136,454
Special events	132,491	113,885
Interest income	8,372	15,324
Investment income (loss)	60,842	(110,308)
Debt forgiveness	46,185	-
Other income	13,940	17,645
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>350,748</u>	<u>118,450</u>
Total support and revenues	<u>6,420,389</u>	<u>5,269,721</u>
Expenses:		
Program services:		
Family Services	3,458,141	3,106,189
Children Services	<u>1,957,630</u>	<u>1,428,809</u>
Total program services	5,415,771	4,534,998
Supporting Services:		
Management and general	649,777	563,821
Development	<u>372,712</u>	<u>373,940</u>
Total expenses	<u>6,438,260</u>	<u>5,472,759</u>
Decrease in unrestricted net assets	<u>(17,871)</u>	<u>(203,038)</u>
<b><u>Changes in Temporarily Restricted Net Assets</u></b>		
Grants and contracts	362,940	350,748
Contributions	-	118,450
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>(350,748)</u>	<u>(118,450)</u>
Increase in temporarily restricted net assets	<u>12,192</u>	<u>350,748</u>
(Decrease) increase in net assets, as restated (Note 9)	(5,679)	147,710
Net assets, beginning of year (Note 9)	<u>2,083,278</u>	<u>1,935,568</u>
Net assets, end of year	<u>\$2,077,599</u>	<u>\$2,083,278</u>

See Independent Auditor's Report and Notes to Financial Statements.

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Family Services</u>	<u>Children Services</u>	<u>Total</u>	<u>Management and General</u>	<u>Development</u>	<u>Total</u>
Personnel:						
Salaries	\$1,534,169	\$1,178,503	\$2,712,672	\$422,637	\$252,353	\$3,387,662
Employee health and retirement benefits	162,879	57,872	220,751	25,309	9,731	255,791
Payroll taxes	<u>131,629</u>	<u>105,738</u>	<u>237,367</u>	<u>37,313</u>	<u>19,614</u>	<u>294,294</u>
Total personnel	1,828,677	1,342,113	3,170,790	485,259	281,698	3,937,747
Interest	-	-	-	16,401	-	16,401
Professional fees	64,325	31,326	95,651	10,633	7,022	113,306
Office supplies	46,472	61,011	107,483	22,883	11,396	141,762
Telephone	40,379	18,805	59,184	10,187	1,576	70,947
Occupancy:						
Rent	588,771	-	588,771	-	-	588,771
Utilities	98,449	19,624	118,073	14,272	-	132,345
Insurance	14,646	34,138	48,784	5,020	1,000	54,804
Repairs and maintenance	121,099	44,958	166,057	22,377	4,747	193,181
Guard service	63,555	-	63,555	-	-	63,555
Transportation	99,169	23,852	123,021	5,945	3,070	132,036
Assistance to individuals	355,310	271,135	626,445	22,553	1,248	650,246
Other	10,102	14,514	24,616	9,822	14,828	49,266
Special events	<u>-</u>	<u>-</u>	<u>-</u>	<u>365</u>	<u>36,987</u>	<u>37,352</u>
Total expenses before depreciation and amortization	3,330,954	1,861,476	5,192,430	625,717	363,572	6,181,719
Depreciation and amortization	<u>127,187</u>	<u>96,154</u>	<u>223,341</u>	<u>24,060</u>	<u>9,140</u>	<u>256,541</u>
Total Expenses	<u>\$3,458,141</u>	<u>\$1,957,630</u>	<u>\$5,415,771</u>	<u>\$649,777</u>	<u>\$372,712</u>	<u>\$6,438,260</u>

See Independent Auditor's Report and Notes to Financial Statements.

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Family Services</u>	<u>Children Services</u>	<u>Total</u>	<u>Management and General</u>	<u>Development</u>	<u>Total</u>
Personnel:						
Salaries	\$1,448,095	\$ 824,189	\$2,272,284	\$373,390	\$242,397	\$2,888,071
Employee health and retirement benefits	140,883	63,304	204,187	21,761	10,578	236,526
Payroll taxes	<u>153,880</u>	<u>89,509</u>	<u>243,389</u>	<u>1,749</u>	<u>19,315</u>	<u>264,453</u>
Total personnel	1,742,858	977,002	2,719,860	396,900	272,290	3,389,050
Interest	19,506	-	19,506	17,968	-	37,474
Professional fees	64,510	14,620	79,130	21,876	50	101,056
Office supplies	60,560	29,841	90,401	28,207	13,763	132,371
Telephone	42,021	20,924	62,945	10,314	1,916	75,175
Occupancy:						
Rent	538,230	-	538,230	-	-	538,230
Utilities	75,779	15,960	91,739	12,266		104,005
Insurance	14,085	33,100	47,185	4,092	1,000	52,277
Repairs and maintenance	111,970	47,596	159,566	19,563	1,011	180,140
Guard service	57,588	-	57,588	-	-	57,588
Transportation	120,100	25,753	145,853	4,997	1,178	152,028
Assistance to individuals	130,878	168,087	298,965	13,472	73	312,510
Other	20,472	5,496	25,968	9,442	24,858	60,268
Special events	<u>132</u>	<u>-</u>	<u>132</u>	<u>(35)</u>	<u>47,849</u>	<u>47,946</u>
 Total expenses before depreciation and amortization	 2,998,689	 1,338,379	 4,337,068	 539,062	 363,988	 5,240,118
Depreciation and amortization	<u>107,500</u>	<u>90,430</u>	<u>197,930</u>	<u>24,759</u>	<u>9,952</u>	<u>232,641</u>
 Total Expenses	 <u>\$3,106,189</u>	 <u>\$1,428,809</u>	 <u>\$4,534,998</u>	 <u>\$563,821</u>	 <u>\$373,940</u>	 <u>\$5,472,759</u>

See Independent Auditor's Report and Notes to Financial Statements.

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**STATEMENTS OF CASH FLOWS**

	Year Ended	
	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
<b><u>Cash flows from operating activities:</u></b>		
(Decrease) increase in net assets	\$ (5,679)	\$147,710
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	256,541	232,641
Debt forgiveness	(46,185)	-
Realized gain on sale of investments	(17,698)	(10,292)
Unrealized (gain) loss on investments	(38,007)	128,629
Contracts and grants receivables	(121,802)	129,683
Other receivables	(8,362)	7,354
Deposits and prepaids	4,428	(14,598)
Accounts payable	(7,860)	2,285
Accrued expenses	(1,887)	52,647
Deferred revenue	69,597	(222,103)
Tenant deposits	3,942	(1,219)
Funds held in custody	<u>(21,613)</u>	<u>1,008</u>
Net cash provided by operating activities	<u>65,415</u>	<u>453,745</u>
<b><u>Cash flows from investing activities:</u></b>		
Purchases of property and equipment	(281,247)	(148,211)
Proceeds from sale of investments	40,000	40,000
Purchase of investments	<u>(45,356)</u>	<u>(49,179)</u>
Net cash used in investing activities	<u>(286,603)</u>	<u>(157,390)</u>
<b><u>Cash flows from financing activities:</u></b>		
Principal payments on long-term debt	<u>(19,660)</u>	<u>(25,009)</u>
Net cash used in financing activities	<u>(19,660)</u>	<u>(25,009)</u>
Net (decrease) increase in cash	(240,848)	271,346
Cash and cash equivalents:		
Beginning of year	<u>566,350</u>	<u>297,967</u>
End of year	<u>\$325,502</u>	<u>\$569,313</u>
<b><u>Supplemental disclosure of cash flow information:</u></b>		
Cash paid for interest	<u>\$16,401</u>	<u>\$18,067</u>

See Independent Auditor's Report and Notes to Financial Statements.

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

**Note 1 - Summary of Significant Accounting Policies:**

**Nature of Activities**

Community Connections of Jacksonville, Inc. (the Organization) was incorporated as a nonprofit organization and was founded in 1911. The purpose of the Organization is to provide transitional housing for the homeless, after-school programs for low-income families, child abuse prevention, family development activities, and family literacy initiatives. The Organization is supported primarily through donor contributions, governmental grants and contracts, and the United Way.

**Basis of Accounting**

The Organization follows standards of accounting and financial reporting prescribed for voluntary health and welfare Organizations. The financial statements have been prepared on the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred. Government and public grants are recorded as support when performance occurs under the terms of the grant agreement.

**Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Financial Statement Presentation**

In accordance with FASB ASC 958 *Not-for-Profit Entities*, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

In accordance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Under FASB ASC 958-605 time restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction. The permanently restricted endowments remain as such.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

### **Property & Equipment**

Property and equipment purchased is recorded at historical costs. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of the donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets at that time. Property and equipment are depreciated using the straight-line method over the assets estimated use life for amounts that have been capitalized over \$1,000.

### **Income Taxes**

The Organization is a not-for-profit voluntary health and welfare organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

### **Functional Expense Allocation**

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

### **Donated Assets and Services**

Donations of non-cash assets are recorded as contributions at their estimated fair values at the date of donation. Donated services that meet the criteria under FASB ASC 958-605 are recorded as contributions. The value of these donations are included in the Statements of Activities in the amount of \$4,094 and \$6,511 for the years ended December 31, 2009 and 2008, respectively.

### **Donated Food and Supplies**

Numerous organizations and individuals have donated significant amounts of food and supplies to the Organization which has not been recorded since there is no basis for valuation.

### **Accounting Estimates**

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

**Note 2 – Investments:**

Investments are reported at fair value and are summarized as follows:

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
U.S. Government and Federal Agency		
Bonds and Notes	\$232,764	\$234,765
Mutual funds	38,610	35,216
Closed end funds	<u>271,457</u>	<u>211,789</u>
	542,831	481,770
Less cost	<u>(557,870)</u>	<u>(534,816)</u>
Unrealized loss	\$ <u>(15,039)</u>	\$ <u>(53,046)</u>

Investment income (loss) are summarized as follows:

	<u>Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Interest, dividends, and capital gain distributions	\$ 7,319	\$ 11,085
Net realized gain	17,698	10,292
Investment advisory fees	(2,182)	(3,056)
Unrealized gain (loss)	<u>38,007</u>	<u>(128,629)</u>
Total investment income (loss)	\$ <u>60,842</u>	\$ <u>(110,308)</u>

**Note 3 - Property and Equipment:**

Property and equipment are summarized as follows:

	Estimated <u>Use Life</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
Land	45	\$ 406,693	\$ 406,693
Buildings and improvements	45	1,806,560	1,806,560
Leasehold improvements	45	3,059,280	2,814,159
Equipment and furniture	5-10	552,545	516,420
Vehicles	5	<u>227,097</u>	<u>227,097</u>
		6,052,175	5,770,929
Less-accumulated depreciation		<u>(3,152,456)</u>	<u>(2,898,335)</u>
		<u>\$2,899,719</u>	<u>\$2,872,594</u>

Depreciation expense was \$254,121 and \$230,221 for the years ended December 31, 2009 and 2008, respectively.

**Note 4 - Notes Payable:**

Notes payable are summarized as follows:

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
3% mortgage note payable to Bank of America of Jacksonville, payable in monthly installments of \$3,111 including interest through June 5, 2010 with balloon payment. The Jacksonville Housing Commission has re-characterized the note as interest free and forgiven over 15 years as long as program services are provided. One fifteenth of the principal balance was forgiven in 2009. The mortgage is secured by real property.	\$ 234,990	\$ 251,775
3% mortgage note payable to the City of Jacksonville, payable in interest only through June 28, 2008 and then in monthly installments of \$2,446 including interest, through December 28, 2025. The Jacksonville Housing Commission has re-characterized the note as interest free and forgiven over 15 years as long as program services are provided. One fifteenth of the principal balance was forgiven in 2009. The mortgage is secured by real property.	411,600	441,000
9% nonrecourse mortgage note payable to Florida Housing Finance Agency, payable in interest only monthly installments depending on various cash flow abilities. Total principal and unpaid interest is due on June 28, 2012; collateralized by land and building; subject to cross default provisions.	288,200	288,200
Mortgage note payable to First Guaranty Bank; monthly installments in the amount of \$2,869 including principal and interest at 4.00% through January 12, 2014. Interest rate adjusts every 60 months on February 12 at 2.5% over current index rate, until the note matures on November 12, 2024.	<u>384,704</u>	<u>404,364</u>
	<u>\$1,319,494</u>	<u>\$1,385,339</u>

Aggregate principal payments and loan forgiveness on long-term debt for the years succeeding December 31, 2009 are as follows:

Years ending <u>December 31,</u>	
2010	\$ 353,563
2011	66,155
2012	66,941
2013	67,838
2014	68,733
Thereafter	<u>696,264</u>
	<u>\$1,319,494</u>

**Note 5 – Lease Commitments:**

The Organization leases various office equipment and office space under non-cancellable leases expiring in various years through 2012. Future minimum lease payments under non-cancellable operating leases that have remaining terms in excess of one year as of December 31, 2009 are as follows:

Years ending <u>December 31,</u>	<u>Amount</u>
2010	\$16,506
2011	15,242
2012	10,884
2013	3,101
2014	-
	<u>\$45,733</u>

Rental expense was \$112,536 and \$118,448 for the years ended December 31, 2009 and 2008, respectively.

In addition, the Organization leases houses and apartment units under month-to-month terms throughout Duval and Clay Counties to provide program services. Lease expense under these agreements was \$499,169 and \$437,031 for the years ended December 31, 2009 and 2008, respectively.

**Note 6 – Retirement Plan:**

In 2008, the Organization instituted a 401(k) plan (the “Plan”) whereby employees may elect to make contributions pursuant to a salary reduction agreement upon meeting age and length of service requirements. Under the Plan, employees may contribute an amount not to exceed the limit imposed by the Internal Revenue Service. The Organization may make discretionary matching contributions to the Plan which would be 50% of the employee contribution but would not exceed 2.5% of employee compensation. The Organization’s discretionary matching contribution to the Plan was \$40,829 and \$70,013 for the years ended December 31, 2009 and 2008, respectively.

**Note 7 – Concentrations of Credit Risk:**

The Organization’s financial instruments that are exposed to concentration of credit risk consist of cash balances at three financial institutions located in Jacksonville, Florida and an investment account administered by Smith Barney. At times, such cash balances and investments may be in excess of Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC) insurance limits.

Amounts in excess of FDIC limits were approximately \$0 and \$26,071 at December 31, 2009 and 2008, respectively. Amounts in excess of SIPC limits were approximately \$93,462 and \$33,845 at December 31, 2009 and 2008, respectively.

The Organization receives a substantial portion of its revenue from the U.S. Department of Housing and Urban Development, the City of Jacksonville, and other local government and private agencies. The funding received by the Organization is determined by the funding sources and renewed annually and could be subjected to budgetary constraints.

**Note 8 – Board Designated Funds:**

The Board has designated a portion of unrestricted net assets for investments. The amounts are summarized as follows:

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
Cash	\$ 50,631	\$ 52,075
Investments	<u>542,831</u>	<u>481,770</u>
	<u>\$593,462</u>	<u>\$533,845</u>

**Note 9 – Restriction on Net Assets:**

The Organization’s temporarily restricted net assets at December 31, 2009 consist of the following:

Jessie Ball duPont Fund grants	\$172,971
Lucy Gooding Charitable Foundation Trust grants	71,110
Other grants	<u>118,859</u>
	<u>\$362,940</u>

There were no permanently restricted net assets at December 31, 2009.

**Note 10 – Community Foundation Endowment Fund:**

The Community Foundation, Inc. (Foundation) maintains an Endowment Fund for the benefit of the Organization. The Fund is being administered as a permanent endowed Fund at the Foundation. The Fund is to be used for the benefit and support of the Organization. The Foundation may distribute from the Fund only the “Distributable Amount,” as defined in the Endowed Fund Agreement, annually. Distributions in the amounts of \$48,407 and \$50,869 were made for the years ended December 31, 2009 and 2008, respectively.

**Note 11 – Restatement of Prior Years Net Assets:**

The 2008 financial statements were restated to reflect certain deferred revenue as temporarily restricted contributions rather than as a liability. The effect on previously reported net assets is as follows:

Decrease in 2008 net assets as previously reported	\$ (203,038)
Adjustment for deferred revenue recognized as temporarily restricted net assets	<u>350,748</u>
Increase in 2008 net assets, as restated	\$ <u>147,710</u>
Net assets, end of 2008, as previously reported	\$1,732,530
Restatement	<u>350,748</u>
Net assets, end of 2008, as restated	<u>\$2,083,278</u>

**Note 12 - Schedule of Receipts and Expenditures – City of Jacksonville:**

**City of Jacksonville – Community Development Block Grant:**

Receipt of Funds

Grant Number	<u>7481-73</u>
Grant Period	10/1/08 – 9/30/09
Amount of Award	\$85,000
Funds received – prior period	-
Funds received – current period	<u>(85,000)</u>
Amount remaining	<u>\$ -</u>

Expenditure of Funds

Grant Number 7481-73

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Contract services	<u>\$85,000</u>	<u>\$ -</u>	<u>\$85,000</u>	<u>\$85,000</u>	<u>\$ -</u>
Total	<u>\$85,000</u>	<u>\$ -</u>	<u>\$85,000</u>	<u>\$85,000</u>	<u>\$ -</u>

**City of Jacksonville – Healthy Family:**

Receipt of Funds

Grant Number	<u>7481-71</u>	<u>7481-79</u>
Grant Period	<u>7/1/08-6/30/09</u>	<u>7/1/09-6/30/10</u>
Amount of Award	\$1,533,342	\$1,533,342
Funds received – prior period	(788,382)	-
Funds received – current period	(744,960)	(808,828)
Advance amount included in above	-	383,336
Due from City – 12/31/09	<u>-</u>	<u>(403,241)</u>
Amount remaining	\$ <u>-</u>	\$ <u>704,609</u>

Expenditure of Funds

Grant Number 7481-71:

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Compensation	\$1,118,703	\$549,063	\$569,640	\$1,118,703	\$ -
Professional services	9,802	840	8,962	9,802	-
Occupancy	130,355	67,668	62,687	130,355	-
Supplies	12,962	8,283	4,679	12,962	-
Travel	72,263	41,225	31,038	72,263	-
Equipment	5,800	2,825	2,975	5,800	-
Client assistance	19,170	16,209	2,961	19,170	-
Administrative	<u>164,287</u>	<u>82,319</u>	<u>81,968</u>	<u>164,287</u>	<u>-</u>
Total	<u>\$1,533,342</u>	<u>\$768,432</u>	<u>\$764,910</u>	<u>\$1,533,342</u>	<u>\$ -</u>

Grant Number 7481-79:

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Compensation	\$1,128,702	\$ -	\$624,236	\$624,236	\$504,466
Professional services	8,340	-	840	840	7,500
Occupancy	125,680	-	65,929	65,929	59,751
Supplies	13,320	-	4,827	4,827	8,493
Travel	77,000	-	40,701	40,701	36,299
Equipment	5,000	-	3,404	3,404	1,596
Client assistance	17,806	-	3,934	3,934	13,872
Administrative	<u>157,494</u>	<u>-</u>	<u>84,862</u>	<u>84,862</u>	<u>72,632</u>
Total	<u>\$1,533,342</u>	<u>\$ -</u>	<u>\$828,733</u>	<u>\$828,733</u>	<u>\$704,609</u>

**City of Jacksonville – Youth Enrichment Services:**

Receipt of Funds

Grant Number	<u>7481-70</u>	<u>7481-77</u>
Grant Period	<u>7/1/08-6/30/09</u>	<u>7/1/09-6/30/10</u>
Amount of Award	\$878,292	\$878,292
Funds received – prior period	(426,562)	-
Funds received – current period	(447,213)	(351,900)
Advance amount included in above	-	219,573
Due from City – 12/31/09	-	(227,464)
Amount remaining	<u>\$ 4,517</u>	<u>\$518,501</u>

Expenditure of Funds

Grant Number 7481-70:

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Compensation	\$589,923	\$305,388	\$280,505	\$585,893	\$4,030
Professional services	9,300	-	9,300	9,300	-
Occupancy	68,255	34,270	33,985	68,255	-
Supplies	19,403	3,509	15,894	19,403	-
Travel	3,130	1,658	1,472	3,130	-
Equipment	10,619	5,324	5,295	10,619	-
Client assistance	83,559	19,065	64,490	83,555	4
Administrative	<u>94,103</u>	<u>44,294</u>	<u>49,326</u>	<u>93,620</u>	<u>483</u>
Total	<u>\$878,292</u>	<u>\$413,508</u>	<u>\$460,267</u>	<u>\$873,775</u>	<u>\$4,517</u>

Grant Number 7481-77:

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Compensation	\$590,881	\$ -	\$260,490	\$260,490	\$330,391
Professional services	10,800	-	-	-	10,800
Occupancy	72,502	-	35,665	35,665	36,837
Supplies	14,850	-	7,619	7,619	7,231
Travel	7,000	-	1,940	1,940	5,060
Equipment	11,011	-	3,498	3,498	7,513
Client assistance	77,145	-	12,275	12,275	64,870
Administrative	<u>94,103</u>	<u>-</u>	<u>38,304</u>	<u>38,304</u>	<u>55,799</u>
Total	<u>\$878,292</u>	<u>\$ -</u>	<u>\$359,791</u>	<u>\$359,791</u>	<u>\$518,501</u>

**City of Jacksonville – Community Based After School Program:**

Receipt of Funds

Grant Number	<u>7481-69</u>	<u>7481-78</u>
Grant Period	<u>7/1/08 – 6/30/09</u>	<u>7/1/09 – 6/30/10</u>
Amount of Award	\$80,321	\$80,321
Funds received – prior period	(39,998)	-
Funds received – current period	(40,323)	(35,183)
Advance amount included in above	-	20,080
Due from City – 12/31/09	<u>-</u>	<u>(16,198)</u>
Amount remaining	<u>\$ -</u>	<u>\$49,020</u>

Expenditure of Funds

Grant Number 7481-69:

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Compensation	\$59,000	\$36,994	\$22,006	\$59,000	\$ -
Professional services	1,200	-	1,200	1,200	-
Occupancy	3,234	1,650	1,584	3,234	-
Supplies	1,559	375	1,184	1,559	-
Travel	183	108	75	183	-
Client assistance	6,539	3,601	2,938	6,539	-
Administrative	<u>8,606</u>	<u>5,127</u>	<u>3,479</u>	<u>8,606</u>	<u>-</u>
Total	<u>\$80,321</u>	<u>\$47,855</u>	<u>\$32,466</u>	<u>\$80,321</u>	<u>\$ -</u>

Grant Number 7481-78:

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Compensation	\$59,925	\$ -	\$25,582	\$25,582	\$34,343
Professional services	1,250	-	-	-	1,250
Occupancy	3,400	-	1,295	1,295	2,105
Supplies	1,000	-	710	710	290
Travel	800	-	174	174	626
Client assistance	5,340	-	198	198	5,142
Administrative	<u>8,606</u>	<u>-</u>	<u>3,342</u>	<u>3,342</u>	<u>5,264</u>
Total	<u>\$80,321</u>	<u>\$ -</u>	<u>\$31,301</u>	<u>\$31,301</u>	<u>\$49,020</u>

**City of Jacksonville –Journey Team Up after School Program:**

Receipt of Funds

Grant Number	<u>7481-74</u>	<u>7481-80</u>
Grant Period	<u>1/1/09 – 9/30/09</u>	<u>10/1/09 – 6/30/10</u>
Amount of Award	\$305,470	\$278,390
Funds received – prior period	-	-
Funds received – current period	(263,538)	(69,597)
Advance amount included in above	-	69,597
Due from City – 12/31/09	-	(102,304)
Due to City – 12/31/09	<u>3,062</u>	<u>-</u>
Amount remaining	<u>\$ 44,994</u>	<u>\$176,086</u>

Expenditure of Funds

Grant Number 7481-74:

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Compensation	\$186,626	\$ -	\$181,604	\$181,604	\$ 5,022
Professional services	18,882	-	10,314	10,314	8,568
Occupancy	1,915	-	1,226	1,226	689
Office	7,650	-	3,807	3,807	3,843
Travel	1,700	-	1,208	1,208	492
Equipment	3,500	-	2,976	2,976	524
Client assistance	52,468	-	31,433	31,433	21,035
Administrative	<u>32,729</u>	<u>-</u>	<u>27,908</u>	<u>27,908</u>	<u>4,821</u>
Total	<u>\$305,470</u>	<u>\$ -</u>	<u>\$260,476</u>	<u>\$260,476</u>	<u>\$44,994</u>

Grant Number 7481-80:

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Compensation	\$217,937	\$ -	\$ 81,928	\$ 81,928	\$136,009
Professional services	14,925	-	6,427	6,427	8,498
Occupancy	1,074	-	361	361	713
Office	1,155	-	963	963	192
Travel	192	-	-	-	192
Equipment	300	-	-	-	300
Client assistance	12,980	-	1,674	1,674	11,306
Administrative	<u>29,827</u>	<u>-</u>	<u>10,951</u>	<u>10,951</u>	<u>18,876</u>
Total	<u>\$278,390</u>	<u>\$ -</u>	<u>\$102,304</u>	<u>\$102,304</u>	<u>\$176,086</u>

**City of Jacksonville – Summer Camperships:**

Receipt of Funds

Grant Number	<u>7481-68</u>	<u>7481-76</u>
Grant Period	<u>6/8/09 – 7/31/09</u>	<u>6/8/09 – 7/31/09</u>
Amount of Award	\$123,600	\$136,400
Funds received – prior period	-	-
Funds received – current period	(123,600)	(136,400)
Due to City – 12/31/09	<u>1,354</u>	<u>1,496</u>
Amount remaining	<u>\$ 1,354</u>	<u>\$ 1,496</u>

Expenditure of Funds

Grant Number 7481-68:

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Camperships	<u>\$123,600</u>	<u>\$ -</u>	<u>\$122,246</u>	<u>\$122,246</u>	<u>\$1,354</u>
Total	<u>\$123,600</u>	<u>\$ -</u>	<u>\$122,246</u>	<u>\$122,246</u>	<u>\$1,354</u>

Grant Number 7481-76:

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Camperships	<u>\$136,400</u>	<u>\$ -</u>	<u>\$134,904</u>	<u>\$134,904</u>	<u>\$1,496</u>
Total	<u>\$136,400</u>	<u>\$ -</u>	<u>\$134,904</u>	<u>\$134,904</u>	<u>\$1,496</u>

**City of Jacksonville – Public Service Grant:**

Receipt of Funds

Grant Number	<u>7481-72</u>	<u>7481-81</u>
Grant Period	<u>10/1/08 – 9/30/09</u>	<u>10/1/09 – 9/30/10</u>
Amount of Award	\$96,945	\$68,441
Funds received – prior period	(13,358)	-
Funds received – current period	(83,587)	(13,010)
Due from City – 12/31/09	<u>-</u>	<u>(7,452)</u>
Amount remaining	<u>\$ -</u>	<u>\$47,979</u>

Expenditure of Funds

Grant Number 7481-72

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Compensation	\$93,565	\$24,383	\$69,182	\$93,565	\$ -
Supplies	<u>3,380</u>	<u>112</u>	<u>3,268</u>	<u>3,380</u>	<u>-</u>
Total	<u>\$96,945</u>	<u>\$24,495</u>	<u>\$72,450</u>	<u>\$96,945</u>	<u>\$ -</u>

Grant Number 7481-81

<u>Budget Item</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Remaining Balance</u>
Compensation	\$67,441	\$ -	\$19,462	\$19,462	\$47,979
Supplies	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total	<u>\$68,441</u>	<u>\$ -</u>	<u>\$20,462</u>	<u>\$20,462</u>	<u>\$47,979</u>



**Harbeson, Fletcher & Bateh, LLP**

Certified Public Accountants

E. Cobb Harbeson  
John C. Fletcher, Jr.  
Raymond Z. Bateh  
M. Ronald Hargraves, Jr.

**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**

April 14, 2010

To the Board of Directors of  
Community Connections of Jacksonville, Inc.

We have audited the financial statements of Community Connections of Jacksonville, Inc. (nonprofit organizations) as of and for the year ended December 31, 2009, and have issued our report thereon dated April 14, 2010. 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 Community Connections of Jacksonville, Inc.'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 Community Connections of Jacksonville, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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

Community Connections of Jacksonville, Inc.  
Board of Directors  
April 14, 2010  
Page Two

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Community Connections of Jacksonville, Inc.'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*.

We noted certain other matters that we reported to management of Community Connections of Jacksonville, Inc. in a separate letter dated April 14, 2010.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies and officials of the City of Jacksonville and is not intended to be and should not be used by anyone other than these specified parties.

*Harbeson, Fletcher & Bates, LLP*



**Harbeson, Fletcher & Bateh, LLP**

Certified Public Accountants

E. Cobb Harbeson  
John C. Fletcher, Jr.  
Raymond Z. Bateh  
M. Ronald Hargraves, Jr.

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

April 14, 2010

To the Board of Directors of  
Community Connections of Jacksonville, Inc.

**Compliance**

We have audited the compliance of Community Connections of Jacksonville, Inc. with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement*, that are applicable to each of its major federal programs for the year ended December 31, 2009. Community Connections of Jacksonville, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Community Connections of Jacksonville, Inc.'s management. Our responsibility is to express an opinion on Community Connections of Jacksonville, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Connections of Jacksonville, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Community Connections of Jacksonville, Inc.'s compliance with those requirements.

In our opinion, Community Connections of Jacksonville, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

**Internal Control Over Compliance**

The management of Community Connections of Jacksonville, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Community Connections of Jacksonville, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Community Connections of Jacksonville, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not 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, 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.

*Harbeson, Fletcher & Bateh, LLP*

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**Section A – Summary of Auditor’s Results:**

1. The auditor’s report expresses an unqualified opinion on the (general purpose) financial statements of Community Connections of Jacksonville, Inc.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Community Connections of Jacksonville, Inc. were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award program.
5. The auditor’s report on compliance for the major federal award program for Community Connections of Jacksonville, Inc. expresses an unqualified opinion.
6. There were no reportable audit findings relative to the major federal award program for Community Connections of Jacksonville, Inc.
7. The programs tested as a major program:  
    U. S. Department of Housing and Urban Development:  
    Supportative Housing Program – CFDA #14.235
8. Determination of Type A programs were defined as programs with total federal expenditures greater than \$300,000 for the year under audit. All other programs were defined as Type B programs.
9. Community Connections of Jacksonville, Inc. was determined to be a low-risk auditee.

**Section B – Findings – Financial Statement Audit:**

None – as stated in Section A above.

**Section C – Findings and Questioned Costs – Major Federal Award Programs Audit:**

None – as stated in Section A above.

**SUPPLEMENTARY**

**INFORMATION**

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/ Pass-through Grantor/ <u>Program Title</u>	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b><u>U.S. Department of Housing and</u></b>			
<b><u>Urban Development</u></b>			
<i>Direct programs:</i>			
Supportive Housing Program	14.235	FL29B710012	\$ 71,731
Supportive Housing Program	14.235	FL29B710008	430,255
Supportive Housing Program	14.235	FL29B710002	185,146
Supportive Housing Program	14.235	FL0123B4H100801	52,397
Supportive Housing Program	14.235	FL0132B4H100801	65,664
Supportive Housing Program	14.235	FL0131B4H100801	114,947
<i>Pass-through program from:</i>			
City of Jacksonville:			
Community Development Block Grant	14.218	7481-73	85,000
HPRP Grant (ARRA) – Duval County	14.257	7481-82	109,088
Florida Department of Children and Families:			
Emergency Shelter Grant	14.231	DF-225	16,710
Emergency Services and Homeless Coalition of Jacksonville:			
HPRP Grant (ARRA) – Clay County	14.257		129,075
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Pass-through programs from:</i>			
Jacksonville Children’s Commission:			
Temporary Assistance for Needy Families	93.558	7481-71	45,520
Temporary Assistance for Needy Families	93.558	7481-79	57,183
Early Learning Coalition of Duval through City of Jacksonville:			
School Readiness Services	93.558		83,806
<b><u>U. S. Department of Homeland Security</u></b>			
<i>Pass-through programs from:</i>			
Emergency Food and Shelter National Board Program:			
Emergency Food and Shelter	97.024	27-1608-00012	32,938
Emergency Food and Shelter	97.114	AR-1608-00012	<u>20,124</u>
<b>Total expenditures of federal awards</b>			1,499,584
State Matching Dollars:			
Ounce of Prevention Fund of Florida		9481-71	153,179
Ounce of Prevention Fund of Florida		9481-79	<u>191,437</u>
			<u>\$1,844,200</u>

See accompanying notes to schedule of expenditures of federal awards.

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**Note 1 – Basis of Accounting:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Connections of Jacksonville, 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**SCHEDULES OF ASSETS, LIABILITIES, AND NET ASSETS**  
**OF THE FLORENCE N. DAVIS CENTER RENTAL DIVISION**

	December 31,	
	2009	2008
<b><u>ASSETS</u></b>		
Current assets:		
Tenant security deposits	\$ 8,242	\$ 4,300
Accounts receivable	62,975	46,551
Prepaid expenses	2,181	1,543
Total current assets	73,398	52,394
Rental property:		
Land	316,962	316,962
Building and improvements	3,109,187	2,936,610
Furnishings & equipment	189,288	185,918
	3,615,437	3,439,490
Less accumulated depreciation	(2,009,690)	(1,883,576)
	1,605,747	1,555,914
Total assets	\$1,679,145	\$1,608,308
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current liabilities:		
Tenant security deposits	\$ 8,242	4,300
Accrued interest	203,012	203,012
Other accrued expenses	43,807	41,580
Total current liabilities	255,061	248,892
Notes payable	934,790	980,975
Total liabilities	1,189,851	1,229,867
Unrestricted net assets	489,294	378,441
Total liabilities and net assets	\$1,679,145	\$1,608,308

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**SCHEDULES OF OPERATIONS AND NET ASSETS**  
**OF THE FLORENCE N. DAVIS CENTER RENTAL DIVISION**

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
Revenues:		
Rental income:		
Gross	\$244,044	\$244,044
Less - vacancies & concessions	(101,822)	(153,571)
	<u>142,222</u>	<u>90,473</u>
Other income	<u>7,707</u>	<u>3,826</u>
Total revenues	<u>149,929</u>	<u>94,299</u>
Costs and Expenses:		
General and administrative	894,628	824,308
Interest	<u>-</u>	<u>19,506</u>
Total expenses	<u>894,628</u>	<u>843,814</u>
Loss from operations	(744,699)	(749,515)
Net assets, beginning of year	378,441	391,378
Contributions and grants	<u>855,552</u>	<u>736,578</u>
Net assets, end of year	<u>\$489,294</u>	<u>\$378,441</u>

**COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.**  
**SCHEDULES OF CASH FLOWS**  
**OF THE FLORENCE N. DAVIS CENTER RENTAL DIVISION**

	December 31,	
	2009	2008
<u>Cash flows from operating activities:</u>		
Net loss	\$(744,699)	\$(749,515)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	126,114	101,539
Debt forgiveness	(46,185)	
Increase in accounts receivable	(16,424)	(6,040)
Decrease in prepaid expenses	(638)	409
Increase in accrued interest	-	6,276
Increase (decrease) in accrued expenses	<u>2,227</u>	<u>(2,058)</u>
Net cash used in operating activities	<u>(679,605)</u>	<u>(649,389)</u>
<u>Cash flows from investing activities:</u>		
Purchase of property and equipment	(175,947)	(87,189)
Net cash used in investing activities	<u>(175,947)</u>	<u>(87,189)</u>
<u>Cash flows from financing activities:</u>		
Contributions and grants	<u>855,552</u>	<u>736,578</u>
Net cash provided by financing activities	<u>855,552</u>	<u>736,578</u>
Net increase in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	\$ <u>-</u>	\$ <u>-</u>
<u>Supplemental Disclosures</u>		
Cash paid during the year for interest	\$ <u>-</u>	\$ <u>-</u>