

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
(A California Non-Profit Public Benefit Corporation)

AUDITED FINANCIAL STATEMENTS

For The Year Ended June 30, 2007

ALLAN LIU, CERTIFIED PUBLIC ACCOUNTANT

**GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

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Allan Liu, Certified Public Accountant
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Good Samaritan Family Resource Center, Inc.
San Francisco, California

I have audited the accompanying statement of financial position of Good Samaritan Family Resource Center, Inc. as of June 30, 2007 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Good Samaritan Family Resource Center, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Good Samaritan Family Resource Center, Inc.'s as of June 30, 2007, 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, I have issued a report dated November 16, 2007, on my consideration of Good Samaritan Family Resource Center, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Good Samaritan Family Resource Center, Inc., taken as a whole. The accompanying Schedules of Expenditures of Federal and State Awards and supplementary information is presented on pages 10-22, inclusive, for the purposes of additional analysis is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of basic financial statements in conformity with the Audit Guide for Audits of Child Development and Nutrition Programs issued by the California Department of Education. In my opinion, the accompanying information, as referred to above, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

Allan Liu, Certified Public Accountant

Millbrae, California
November 16, 2007

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2007

ASSETS

Current Assets

Cash and cash equivalents	\$	588,176
Accounts receivable		127,910
Promises to give		123,400
Prepaid expenses		<u>14,836</u>

Total Current Assets 854,322

Property & Equipment (less accumulated depreciation of \$1,015,834) 2,729,658

TOTAL ASSETS \$ 3,583,980

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$	25,358
Accrued liabilities		30,530
Accrued compensation		49,905
Due to SDE		<u>24,376</u>

Total Current Liabilities 130,169

Net Assets

Unrestricted	2,950,600
Temporarily restricted	474,863
Permanently restricted	28,348

Total Net Assets 3,453,811

TOTAL LIABILITIES AND NET ASSETS \$ 3,583,980

See notes to the financial statements

GOOD SAMARITAN
FAMILY RESOURCE CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Contributions	\$ 104,964	\$ 550,779	\$	\$ 655,743
Government grants and contracts	697,041			697,041
Program service fees	49,031			49,031
Interest	13,226			13,226
Other Income	10,366			10,366
Net Assets Released from Restrictions				
Satisfaction of program Restrictions	330,028	(330,028)		
TOTAL REVENUE	1,204,656	220,751		1,425,407
EXPENSES				
Program Services				
Family Services	662,527			662,527
Child Development	398,139			398,139
	1,060,666			1,060,666
Supporting Services				
Management and General	195,487			195,487
Fundraising	57,107			57,107
	252,594			252,594
TOTAL EXPENSES	1,313,260			1,313,260
CHANGE IN NET ASSETS	(108,604)	220,751		112,147
Net Assets at Beginning of Year	3,059,204	254,112	28,348	3,341,664
NET ASSETS AT END OF YEAR	\$ 2,950,600	\$ 474,863	\$ 28,348	\$ 3,453,811

See notes to the financial statements

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEARS ENDED JUNE 30, 2007

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
	<u>Family Services</u>	<u>Child Development Center</u>	<u>Total Program Services</u>	<u>Mgmt. & General</u>	<u>Fundraising</u>	
SALARIES AND RELATED BENEFITS						
Salaries	\$ 308,880	\$ 181,044	\$ 489,924	\$ 59,472	\$ 33,527	\$ 582,923
Employee benefits and Taxes	<u>68,451</u>	<u>40,121</u>	<u>108,572</u>	<u>13,179</u>	<u>7,430</u>	<u>129,181</u>
Total Salaries and Related Benefits	<u>377,331</u>	<u>221,165</u>	<u>598,496</u>	<u>72,651</u>	<u>40,957</u>	<u>712,104</u>
OTHER EXPENDITURES						
Consultants/Contractors	72,333	45,669	118,002	104,508	6,891	229,401
Supplies	20,849	6,474	27,323	6,229	758	34,310
Telephone and online	5,250	4,809	10,059	1,492	882	12,433
Postage & shipping	231	441	672	109	892	1,673
Copying, Printing, Publications	3,363	3,200	6,563	941	1,559	9,063
Outside Services	818	124	942	3,263	23	4,228
Insurance	26,818	12,213	39,031	5,098	1,144	45,273
License & Fees	1,565	695	2,260	821	101	3,182
Utilities				40,046		40,046
Maintenance & Repair				41,754		41,754
Field Trips	2,977	1,436	4,413			4,413
Events	6,603	226	6,829	13	8	6,850
Food	6,762	24,363	31,125	46	82	31,253
Local Transportation	1,705	576	2,281	168	81	2,530
Conferences and Travel	1,117	55	1,172	9	6	1,187
Staff Development	272	234	506	73	43	622
Direct Support	3,450		3,450			3,450
Start-up Costs		18,764	18,764			18,764
Miscellaneous	9,938	1,388	11,326	9,827	308	21,461
Use Allowance	<u>66,942</u>	<u>31,755</u>	<u>98,697</u>	<u>(100,628)</u>	<u>1,931</u>	<u>511,893</u>
Total Other Expenditures	<u>230,993</u>	<u>152,422</u>	<u>383,415</u>	<u>113,769</u>	<u>14,709</u>	<u>511,893</u>
TOTAL EXPENDITURES BEFORE DEPRECIATION	608,324	373,587	981,911	186,420	55,666	1,223,997
Depreciation	<u>54,203</u>	<u>24,552</u>	<u>78,755</u>	<u>9,067</u>	<u>1,441</u>	<u>89,263</u>
TOTAL EXPENDITURES	<u>\$ 662,527</u>	<u>\$ 398,139</u>	<u>\$ 1,060,666</u>	<u>\$ 195,487</u>	<u>\$ 57,107</u>	<u>\$ 1,313,260</u>

See notes to the financial statements

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Excess/(Deficiency) of Revenue Over Expenditures	\$ 112,147
<i>Adjustments to Reconcile Excess/(Deficit) of Revenue Over Expenditures to Net Cash Provided By Operating Activities</i>	
Depreciation	89,263
<i>(Increase)/Decrease in:</i>	
Accounts receivable	2,415
Promises to give	(4,400)
Prepaid expenses	1,546
<i>Increase/(Decrease) in:</i>	
Accounts payable	14,309
Accrued liabilities	31,147
Accrued compensation	5,639
Due to SDE	24,376
Net Cash (Used) Provided by Operating Activities	<u>276,442</u>
 INCREASE/(DECREASE) IN NET CASH	 276,442
Cash and cash equivalents, Beginning of Year	<u>311,734</u>
CASH and cash equivalents, end of year	\$ <u><u>588,176</u></u>

See notes to the financial statements

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE A: BACKGROUND AND ACCOUNTING POLICIES

General

Good Samaritan Family Resource Center, Inc. (Good Samaritan), originally founded in 1894 by the Episcopal Diocese of California, was incorporated as an independent nonprofit public benefit corporation in 1992 to help immigrant families, especially the newly arrived, access services, stabilize in the country, develop self-efficiency and participate constructively in the community.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. Revenue is recorded when earned and expenditures are recorded when incurred.

Financial Statement Presentation

Good Samaritan follows the Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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. Unrestricted net assets include contracts and grants received for specific purposes, which are recognized as support to the extent of related expenses incurred in compliance with the specific restrictions. Support that is restricted by the donor is reported as an increase in the reporting period and as temporarily restricted if the restriction has not expired by the end of fiscal year. Permanently restricted net asset include endowments that donors have stipulated shall be maintained in perpetuity and invested to produce income. In addition, Good Samaritan is required to present a statement of cash flows.

Income Taxes

Good Samaritan is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. Contributions to the Organization are deductible for purposes of Federal and state income taxes and are not subject to gift and estate taxes. Management believes that operations have been in accordance with its tax-exempt purposes and that there is no unrelated business income.

Good Samaritan

Good Samaritan considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Good Samaritan maintains cash balances at financial institutions, which at times may exceed federally insured limits. Good Samaritan has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Statement of Cash Flows

For purposes of the statement of cash flows, Good Samaritan considers all short- term investments with an original maturity of three months or less to be cash equivalents.

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts receivable, promises to give, accrued liabilities, and accounts payable, none of which are held for trading purposes, approximate fair value due to the short-term maturities of these instruments.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or as expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

Good Samaritan capitalizes all expenditures for property and equipment in excess of \$1,000. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful lives of the respective assets, which range from 2 to 5 years for equipment and 40 for property.

NOTE B: Promises to Give

Unconditional promises to give of \$123,400 are receivable in less than a year and deemed fully collectible.

NOTE C: Property and Equipment

Property and Equipment are as follows:

Land	\$300,000
Building and improvements	3,201,994
Equipment	<u>243,498</u>
Subtotal	3,745,492
Less accumulated depreciation	<u>(1,015,834)</u>
	<u>\$2,729,658</u>

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE D: Accrued Compensation

Accrued compensation consists of accrued payroll of \$ 25,317 and accrued vacation of \$24,588. Employees of the Good Samaritan are entitled to paid vacation based on length of service and other factors. Employees gain a vested right to accumulated vacation.

Sick leave benefits are accumulated for each employee, but employees do not gain a vested right to the accumulated sick leave benefits are therefore not recognized as a liability by Good Samaritan, and sick leave benefits are recorded as expenditures in period taken.

NOTE E: Restrictions on Net Assets

Temporarily restricted net assets are available for the following purpose:

Management and General	\$97,400
Development	165,248
Programs	<u>212,215</u>
	<u>\$474,863</u>

Temporarily restricted net assets were released from donor restrictions by:

Satisfaction of program and	
Management restrictions	<u>\$331,029</u>

NOTE F: Functional Allocation of Expenses

Cost of providing Good Samaritan's programs and other activities have been presented in the Statement of Functional Expenses. Good Samaritan distributed expenses directly to related programs or supporting services. Expenses that are applicable to several programs and supporting services are allocated among the programs based upon time reports and management estimates.

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE G: Contingencies

Good Samaritan received a substantial amount of its support from state and federal governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Good Samaritan's program and activities.

Grant awards require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of monies to the grantors. Good Samaritan deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of Good Samaritan to the provisions of the grants. Good Samaritan's management is of the opinion that it has complied with all terms of the grants.

NOTE H: Lease Agreement

On September 2007, Good Samaritan entered into a new 48 month non-cancelable operating lease for office equipment. Lease expense under the lease for the fiscal year ended June 30, 2007 was \$6,396. The minimum rental commitment under the new lease is as follows:

Year ended June30:	
2008	\$ 4,761
2009	6,348
2010	6,348
2011	6,348
2012	<u>1,587</u>
	<u>\$25,392</u>

NOTE I: Subsequent Event

On October 2, 2007, Good Samaritan settled a litigation claim by a former employee who was injured during work on August 2003. Due to a lapse in workers compensation coverage, the benefits and final settlement payout was made by Good Samaritan. As of June 30, 2007, \$ 30,530 is the accrued expense liability recognizing the remaining balance owed, for the settlement of this civil suit.

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
GENERAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Agency Name: Good Samaritan Family Resource Center, Inc.

Type of Agency: Private Nonprofit Organization

State Department of Education
Project Numbers: Child Development Program
38-V130-00-6 (CPRE-6334)
38-V130-00-6 (CFDP-6080)
38-V130-00-6 (CIMS-6552)
38-V130-00-5 (CPKR-5596)
Child Care Food Programs
38-2969-0A

Address: 1294 Potrero Avenue
San Francisco, California 94110

Executive Director Mario Paz
Center Director Teresa Carias

Telephone Number: (415) 401-4245

Audit Period: July 1, 2006 through June 30, 2007

Days of Operation: 242

Scheduled Daily Hours: 7:00am to 6:00pm

Number of Hours Open: 10 hours

**GOOD SAMARITAN FAMILY RESOURCE CENTER
CHILD DEVELOPMENT CENTER, INC.
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
PROJECT NO. 38-V130-00-6
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	CPRE-6334 Reimbursable	CFDP-6080 Reimbursable	CIMS-6552 Reimbursable	CPKR-5596 Reimbursable	Non- Reimbursable	Total
1000 Certificated Salaries	\$ 97,723	\$ 62,140	\$ 0	\$ 0	\$ 0	\$ 159,863
1100 Teachers' Salaries	64,154	40,884				105,038
1200 Administrative Salaries	5,289	3,363				8,652
1300 Supervisors' Salaries	28,280	17,893				46,173
2000 Classified Salaries	30,854	19,619	0	0	0	50,473
2100 Instructional Aides	12,470	7,929				20,399
2300 Clerical & Other Office Personnel Salaries	5,914	3,761				9,675
2900 Substitutes	12,470	7,929				20,399
3000 Employee Benefits	25,539	16,240	0	0	0	41,779
3300 Old Age, Survivors, Disability & Health Insurance	8,883	5,648				14,531
3400 Health & Welfare Benefits	16,656	10,592				27,248
3500 State Unemployment Insurance						
3600 Workers' Compensation Insurance						
4000 Books, Supplies & Equipment Replacement	18,545	11,792	500	0	0	30,837
4300 Instructional Supplies	3,652	2,322	500			6,474
4500 Other Supplies						
4700 Food Services	14,893	9,470				24,363
5000 Contracted Services & Other Operating Exps.	71,472	45,766	0	0	0	117,238
5100 Contracts for Personnel Services	35,239	22,408				57,647
5200 Travel, Conference & Other Expense	25,979	16,837				42,816
5400 Insurance	8,298	5,277				13,575
5500 Utilities & Housekeeping Services						
5600 Contracts, Rents, & Leases	1,956	1,244				3,200
5700 Legal, Election & Audit						
6000 Sites, Buildings, Books & Media & New Equip.	15,008	28,307	0	0	0	43,315
6200 Buildings & Improvements						
6400 New Equipment						
6500 Equipment Replacement						
Expenses Not Otherwise Classified -Bad debt						
Capital Outlay Revolving Fund Repayment						
Depreciation or use allowance	15,008	9,543				24,551
Start-Up/Close-Down Expense		18,764				18,764
Indirect Cost Rate %						
TOTALS	\$ 259,141	\$ 183,864	\$ 500	\$ 0	\$ 0	\$ 443,505

I have audited the claims filed for reimbursement and the original supporting records covering the transactions under these contracts to the extent considered necessary to assure myself that the amounts claimed by the agency were proper.

See notes to the financial statements

**AUDITED FINAL ATTENDANCE AND FISCAL REPORT
for State Preschool Programs**

Agency Name: Good Samaritan Family Resource Center Vendor No. V130

Fiscal Year End: June 30,2007 Contract No. CPRE-6334

Independent Auditor's Name: Allan Liu

SECTION I - CERTIFIED CHILDREN	EDP NO.	COLUMN A	COLUMN B	COLUMN C
		CUMULATIVE FISCAL YEAR PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
Days of Enrollment	190	4,315	0	4,315
Days of Operation	169	242		242
Days of Attendance	179	4,315	0	4,315

SECTION II - NONCERTIFIED CHILDREN

<input type="checkbox"/> No Noncertified Children Check this box and continue to Section III if no noncertified children are enrolled in the program				
Days of Enrollment	290	832	0	832

Independent Auditor's Certifications on meeting the requirements of the California Department of Education, Child Development Division:

Attendance records are being maintained as required (check YES or NO):

YES

NO - Explain any discrepancies.

Attendance data reported in Column C, above, agree with the original supporting records, such as sign-in/sign-out sheets and daily attendance records (check YES or NO):

YES

NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheet(s) to explain information contained on this page:

**AUDITED FINAL ATTENDANCE AND FISCAL REPORT
for State Preschool Programs**

Agency Name: Good Samaritan Family Resource Center Vendor No. V130

Fiscal Year End: June 30,2007 Contract No. CPRE-6334

SECTION III - REVENUE	EDP NO.	COLUMN A	COLUMN B	COLUMN C
		CUMULATIVE FISCAL YEAR PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME				
Child Care Food/National School Lunch Program	302	\$13,655	(\$2,147)	\$11,508
Restricted income for operating costs	308	1,878	376	2,254
Maintenance of Effort	339			0
Other (specify):	312	500	(500)	0
SUBTOTAL	311	16,033	(2,271)	13,762
TRANSFER FROM RESERVE FUND				
FAMILY FEES FOR CERTIFIED CHILDREN (GWAP Only)	310			0
	329			0
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS				
	349			0
NON-RESTRICTED INCOME				
Parent fees for noncertified children	356	29,790	(4,151)	25,639
Cal Learn Program	306	12,445	(1,527)	10,918
Head Start Funds	360	56,000	(1)	55,999
Other (specify): SF DCYF /Donations	362	46,709	(8,101)	38,608
TOTAL REVENUE	390	\$160,977	(\$16,051)	\$144,926

SECTION IV - EXPENSES

REIMBURSABLE EXPENSES				
1000 Certificated Salaries	402	\$128,642	(\$30,919)	\$97,723
2000 Classified Salaries	404	2,949	27,905	30,854
3000 Employee Benefits	406	32,900	(7,361)	25,539
4000 Books and Supplies	408	3,278	15,267	18,545
5000 Services and Other Operating Expenses	412	38,277	33,195	71,472
6100/6200 Other Approved Capital Outlay	413	0		0
6400 New Equipment (program-related)	414	0		0
6500 Equipment Replacement (program-related)	416			0
Depreciation or Use Allowance	439	22,055	(7,047)	15,008
Start-Up Expenses (service level exemption)	447			0
Indirect Costs -- Rate: % excl CCF	459	0		0
NONREIMBURSABLE EXPENSES				
6100-6500 Nonreimbursable capital outlay	479			0
Other nonreimbursable expenses (specify):	489			0
Total Expenses	490	\$228,101	\$31,040	\$259,141
TOTAL ADMINISTRATIVE COST (included in section IV above)		\$5,693	\$14,896	\$20,589

COMMENTS - If necessary, attach additional sheet(s) to explain information contained on this page:

EDP 306 is a protected cell and can not be changed, it should read SF Children's Council not Cal Learn.

**AUDITED FINAL ATTENDANCE AND FISCAL REPORT
for State Preschool Programs**

Agency Name: Good Samaritan Family Resource Center Vendor No. V130

Fiscal Year End: June 30,2007 Contract No. CFDP-6080

Independent Auditor's Name: Allan Liu

SECTION I - CERTIFIED CHILDREN	EDP NO.	COLUMN A	COLUMN B	COLUMN C
		CUMULATIVE FISCAL YEAR PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
Days of Enrollment	190	1,398	0	1,398
Days of Operation	169	96		96
Days of Attendance	179	1,398	0	1,398

SECTION II - NONCERTIFIED CHILDREN

<input type="checkbox"/> No Noncertified Children Check this box and continue to Section III if no noncertified children are enrolled in the program				
Days of Enrollment	290	811	0	811

Independent Auditor's Certifications on meeting the requirements of the California Department of Education, Child Development Division:

Attendance records are being maintained as required (check YES or NO):

YES

NO - Explain any discrepancies.

Attendance data reported in Column C, above, agree with the original supporting records, such as sign-in/sign-out sheets and daily attendance records (check YES or NO):

YES

NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheet(s) to explain information contained on this page:

**AUDITED FINAL ATTENDANCE AND FISCAL REPORT
for State Preschool Programs**

Agency Name: Good Samaritan Family Resource Center Vendor No. V130

Fiscal Year End: June 30,2007 Contract No. CFDP-6080

SECTION III - REVENUE	EDP NO.	COLUMN A	COLUMN B	COLUMN C
		CUMULATIVE FISCAL YEAR PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME				
Child Care Food/National School Lunch Program	302	\$5,018	\$2,299	\$7,317
Restricted income for operating costs	308	684	750	1,434
Maintenance of Effort	339			0
Other (specify): Reimb shared costs	312		0	0
SUBTOTAL	311	5,702	3,049	8,751
TRANSFER FROM RESERVE FUND	310			0
FAMILY FEES FOR CERTIFIED CHILDREN (GWAP Only)	329			0
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS	349			0
NON-RESTRICTED INCOME				
Parent fees for noncertified children	356	12,151	4,151	16,302
Cal Learn Program	306	2,689	4,253	6,942
Head Start Funds	360			0
Other (specify): SF DCYF /Donations	362	16,447	8,103	24,550
TOTAL REVENUE	390	\$36,989	\$19,556	\$56,545

SECTION IV - EXPENSES

REIMBURSABLE EXPENSES				
1000 Certificated Salaries	402	\$40,586	\$21,554	\$62,140
2000 Classified Salaries	404	781	18,838	19,619
3000 Employee Benefits	406	10,343	5,897	16,240
4000 Books and Supplies	408	333	11,459	11,792
5000 Services and Other Operating Expenses	412	14,715	31,051	45,766
6100/6200 Other Approved Capital Outlay	413	0		0
6400 New Equipment (program-related)	414	0		0
6500 Equipment Replacement (program-related)	416			0
Depreciation or Use Allowance	439	7,888	1,655	9,543
Start-Up Expenses (service level exemption)	447		18,764	18,764
Indirect Costs -- Rate: % excl CCF	459	0		0
NONREIMBURSABLE EXPENSES				
6100-6500 Nonreimbursable capital outlay	479			0
Other nonreimbursable expenses (specify):	489			0
Total Expenses	490	\$74,646	\$109,218	\$183,864
TOTAL ADMINISTRATIVE COST (included in section IV above)		\$976	\$31,404	\$32,380

COMMENTS - If necessary, attach additional sheet(s) to explain information contained on this page:

EDP 306 is a protected cell and can not be changed, it should read SF Children's Council not Cal Learn.

**AUDITED FINAL REVENUE AND EXPENDITURE REPORT
for Support Contracts**

Agency Name: Good Samaritan Family Resource Center, Inc. Vendor No. V130

Fiscal Year End: June 30, 2007 Contract No. CIMS-6552

Independent Auditor's Name: Allan Liu

SECTION I - REVENUE	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME			
Child Care Food/National School Lunch Program	\$0	\$0	\$0
Cal Learn Program			0
Restricted income for operating costs			0
Maintenance of Effort			0
Other (<i>specify</i>):			0
Subtotal Restricted Program Income	0	0	0
FAMILY FEES FOR CERTIFIED CHILDREN			0
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS			0
NON-RESTRICTED INCOME			
Parent fees for noncertified children			0
Other (<i>specify</i>):			0
Subtotal Revenue for Current Fiscal Year	0	0	0
Revenue Earned in Prior Years			0
TOTAL REVENUE	\$0	\$0	\$0

SECTION II - EXPENDITURES

REIMBURSABLE			
1000 Certificated Salaries	\$0	\$0	\$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies	\$500		\$500
5000 Services and Other Operating Expenses			\$0
6100/6200 Other Approved Capital Outlay			\$0
6400 New Equipment (<i>program-related</i>)			\$0
6500 Equipment Replacement (<i>program-related</i>)			\$0
Depreciation or Use Allowance			0
Start-Up Expenses (<i>service level exemption</i>)			0
Indirect Costs -- Rate:			\$0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay	\$0	\$0	\$0
Other nonreimbursable expenses (<i>specify</i>):			\$0
	\$0	\$0	\$0
Subtotal Expenses for Current Fiscal Year	\$500	\$0	\$500
Expenses Incurred in Prior Years			0
TOTAL EXPENSES	\$500	\$0	\$500
TOTAL ADMINISTRATIVE COST (<i>included in section II above</i>)			\$0

COMMENTS - If necessary, attach additional sheet(s) to explain information contained in this report:

**AUDITED FINAL REVENUE AND EXPENDITURE REPORT
for Support Contracts**

Agency Name: Good Samaritan Family Resource Center, Inc. Vendor No. V130

Fiscal Year End: June 30, 2007 Contract No. CPKR-5596

Independent Auditor's Name: Allan Liu

SECTION I - REVENUE	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME			
Child Care Food/National School Lunch Program	\$0	\$0	\$0
Cal Learn Program			0
Restricted income for operating costs			0
Maintenance of Effort			0
Other (<i>specify</i>):			0
Subtotal Restricted Program Income	0	0	0
FAMILY FEES FOR CERTIFIED CHILDREN			0
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS			0
NON-RESTRICTED INCOME			
Parent fees for noncertified children			0
Other (<i>specify</i>):			0
Subtotal Revenue for Current Fiscal Year	0	0	0
Revenue Earned in Prior Years			0
TOTAL REVENUE	\$0	\$0	\$0

SECTION II - EXPENDITURES

REIMBURSABLE			
1000 Certificated Salaries	\$0	\$0	\$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			\$0
5000 Services and Other Operating Expenses			\$0
6100/6200 Other Approved Capital Outlay			\$0
6400 New Equipment (<i>program-related</i>)			\$0
6500 Equipment Replacement (<i>program-related</i>)			\$0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Indirect Costs -- Rate:			\$0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay	\$0	\$0	\$0
Other nonreimbursable expenses (<i>specify</i>):			
	\$0	\$0	\$0
Subtotal Expenses for Current Fiscal Year	\$0	\$0	\$0
Expenses Incurred in Prior Years	1,698		1,698
TOTAL EXPENSES	\$1,698	\$0	\$1,698
TOTAL ADMINISTRATIVE COST (<i>included in section II above</i>)			\$0

COMMENTS - If necessary, attach additional sheet(s) to explain information contained in this report:

**AUDITED FINAL RESERVE ACCOUNT CASH ACTIVITY REPORT
for Center Based Programs**

Agency Name: Good Samaritan Family Resources Center, Inc.

Fiscal Year End: 6/30/2007

Vendor No. V120

Federally Insured Bank Name: N/A

Independent Auditor's Name: Allan Liu

CENTER BASED RESERVE ACCOUNT	COLUMN A	COLUMN B	COLUMN C
	PER AGENCY'S ACCOUNTING LEDGER	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	PER AUDIT
BEGINNING CASH BALANCE - Last Fiscal Year's Ending Cash Balance (Not from CDFS 9530)	\$0	\$0	\$0
PLUS CASH TRANSFERRED TO RESERVE ACCOUNT FROM CONTRACT(S) - During Current Fiscal Year:			
Contract No.	0		0
Contract No.	0		0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred to Reserve Account	0	0	0
SUBTOTAL	0	0	0
PLUS INTEREST CREDITED TO RESERVE ACCOUNT - During Current Fiscal Year	0		0
LESS CASH TRANSFERRED FROM RESERVE ACCOUNT TO CONTRACT(S) - During Current Fiscal Year:			
Contract No.	0		0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred from Reserve Account	0	0	0
ENDING CASH BALANCE - This Fiscal Year	\$0	\$0	\$0

COMMENTS - If necessary, attach additional sheet(s) to explain information contained in this report:

Good Samaritan Family Resource Center, Inc. does not have a reserve with the SDE as of June 30, 2007.

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
 SCHEDULE OF ADMINISTRATIVE COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>CPRE</u>	<u>CFDP</u>	<u>Total</u>
Operations Director Salaries	\$ 5,776	\$ 9,085	\$ 14,861
Fringe Benefits	1,280	2,013	3,293
Accounting/auditing	12,585	19,793	32,378
Workers Compensation	529	832	1,361
Payroll Processing	<u>418</u>	<u>657</u>	<u>1,075</u>
TOTAL ADMINISTRATIVE COSTS	\$ <u>20,589</u>	\$ <u>32,380</u>	\$ <u>52,968</u>

See notes to the financial statements

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
SCHEDULE OF RENOVATION & REPAIR EXPENDITURES
UTILIZING CONTRACT FUNDS (CPRE-6334 & CFDP-6080)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

EXPENDITURES \$7,500 UNIT COST		EXPENDITURES OVER \$7,500 UNIT COST WITH CDD APPROVAL		EXPENDITURES OVER \$7,500 UNIT COST WITHOUT CDD APPROVAL	
COST	ITEM	COST	ITEM	COST	ITEM
	NONE		NONE		NONE

See notes to the financial statements

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
SCHEDULE OF EQUIPMENT EXPENDITURES
UTILIZING CONTRACT FUNDS (CPRE-6334 & CFDP-6080)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

EXPENDITURES \$7,500 UNIT COST		EXPENDITURES OVER \$7,500 UNIT COST WITH CDD APPROVAL		EXPENDITURES OVER \$7,500 UNIT COST WITHOUT CDD APPROVAL	
COST	ITEM	COST	ITEM	COST	ITEM
	NONE		NONE		NONE

See notes to the financial statements

GOOD SAMARITAN FAMILY RESOURCE CENTER, INC.
SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Federal Grantor/ Pass Through Grantor/ Program Title	Federal Catalog Number	Program or Award Number	Revenue Recognized	Disbursements/ Expenditures
Federal				
U. S. DEPT. OF AGRICULTURE				
<i>Passed through:</i>				
California State Dept. of Education Child & Adult Care Food Program	10.558	38-2969-0A	\$ 17,521	\$ 17,521
U. S. DEPT. OF HEALTH & HUMAN SERVICES				
<i>Passed through:</i>				
San Francisco State University' HeadStart Program "Wrap Around "full-day	93.600	N/A	55,999	\$ 55,999
<i>Passed through:</i>				
California State Dept. of Education Instructional Materials	93.575	CIMS-6552	<u>500</u>	<u>500</u>
TOTAL FEDERAL AWARDS			\$ <u>74,020</u>	\$ <u>74,020</u>
STATE				
Child and Adult Care Food Program		38-2969-0A	\$ 1,304	\$ 1,304
California State Dept. of Education Child Development Services Full Day Preschool		CFDP-6080	60,070	60,070
State Preschool		CPRE-6334	<u>102,050</u>	<u>102,050</u>
TOTAL STATE AWARDS			\$ <u>163,424</u>	\$ <u>163,424</u>

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Good Samaritan Family Resource Center, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the California State Department of Education, thus, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Allan Liu, Certified Public Accountant

201 Willow Avenue/Millbrae, CA 94030

Ph. 650.692.1172 Fax 650.692.1194

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

Board of Directors
Good Samaritan Family Resource Center, Inc.
San Francisco, California

I have audited the financial statements of Good Samaritan Family Resource Center, Inc. as of and for the year ended June 30, 2007, and have issued my report thereon dated November 16, 2007. I conducted my 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 my audit, I considered Good Samaritan Family Resource Center, Inc.' s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Good Samaritan Family Resource Center, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance 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 awarding agencies and pass-through entities and is not intended to be and should not be used by anyone else other than these specified parties.

Allan Liu, Certified Public Accountant

Millbrae, California
November 16, 2007

Allan Liu, Certified Public Accountant
201 Willow Avenue/Millbrae, CA 94030
Ph. 650.692.1172 Fax 650.692.1194

To the Board of Directors
Good Samaritan Family Resource Center, Inc.
San Francisco, California

I have audited the financial statements of Good Samaritan Family Resource Center, Inc. (the Organization) for the year ended June 30, 2007, and the have issued my report thereon. In planning and performing my audit I considered the Organization's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. This letter summarizes comments under professional standards regarding my engagement and suggestions regarding opportunities for strengthening internal controls and operating efficiency. This letter does not affect my report on the financial statements.

My Responsibility under Generally Accepted Auditing Standards

As stated in my engagement letter, my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because of the concept of reasonable assurance and because I did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by me. As part of my audit, I considered the internal control of the Organization. Such considerations were solely for the purpose of determining my audit procedures and not to provide any assurance concerning such internal controls.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, I will advise management about the appropriateness of the accounting policies and their application. The significant accounting policies are described in the notes to financial statements. I noted no transaction entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, I am required to inform you of, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are more sensitive than others because of the possibility that future events affecting them may differ significantly from those expected. Management's estimates are based on factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as whole. Matters relating to estimates are disclosed in the notes to financial statements.

Disagreement with Management

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

Consultation with Other Accountants

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

Best Interest Days

During the course of my audit, I noted that the Organization does not maintain records for "best interest days" for each child enrolled in the Child Development Program. The Organization must have a record of "best interest days" as required the State Department of Education's Funding, Terms, and Conditions. A record of "best interest days" will prevent the Organization from overstating child days of attendance, if a child exceeds his or her "best interest days" within a fiscal year.

Parent's sign-in/out Sheets

During the course of the audit, I noted that there were several instances where parents did not sign out, nor record the time of signing out, for a particular day. The organization must be more diligent and follow review procedures, as to having all parents sign in/out on daily attendance sheets. It is necessary to comply with State Department of Education's requirements to maintain accurate and complete daily attendance sheets.

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

Allan Liu, Certified Public Accountant

Millbrae, California
November 16, 2007