Form **990-EZ**

Department of the Treasury
Internal Revenue Service

Short Form
Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990 All other organizations with gross receipts less than $500,000 and total assets less than $1,250,000 at the end of the year may use this form

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-1150

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning Jul 01 **, 2009, and ending** Jun 30, 2009

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Termination ☐ Amended return ☐ Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization, number and street, city, town, state, and ZIP code

VILLAGE CARE FAMILY SERVICES INC

4950 PARKSIDE AVENUE FLOOR 5
Philadelphia PA 19131

D Employer identification number 23-3009161

E Telephone number 215-879-4023

F Group Exemption Number ▶501

● **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

G Accounting Method ☐ Cash ☒ Accrual Other (specify) ▶

I Website: ▶

H Check▶ ☐ if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

J Tax-exempt status (check only one) - ☒ 501(c)(03) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

K Check ▶ ☐ if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than $25,000 A 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts, if $5000,000 or more, file Form 990 instead of Form 990-EZ ▶ $ 724,384.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I)

Revenue	1	Contributions, gifts, grants, and similar amounts received		1	
	2	Program service revenue including government fees and contracts		2	700,229.
	3	Membership dues and assessments		3	
	4	Investment income		4	1,355.
	5 a	Gross amount from sale of assets other than inventory	5a		
	b	Less cost or other basis and sales expenses	5b		
	c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)		5c	
	6	Special events and activities (complete applicable parts of Schedule G) If any amount is from gaming, check here ▶ ☐			
	a	Gross revenue (not including $ _____ of contributions reported on line 1)	6a		
	b	Less direct expenses other than fundraising expenses	6b		
	c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)		6c	
	7 a	Gross sales of inventory, less returns and allowances	7a		
	b	Less cost of goods sold	7b		
	c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)		7c	
	8	Other revenue (describe ▶ SEE STMT)		8	22,800.
	9	**Total revenue.** Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8 ▶		9	724,384.
Expenses	10	Grants and similar amounts paid (attach schedule)		10	
	11	Benefits paid to or for members		11	
	12	Salaries, other compensation, and employee benefits		12	193,667.
	13	Professional fees and other payments to independent contractors		13	512,026.
	14	Occupancy, rent, utilities, and maintenance		14	
	15	Printing, publications, postage, and shipping		15	
	16	Other expenses (describe ▶)		16	
	17	**Total expenses.** Add lines 10 through 16 ▶		17	705,693.
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)		18	18,691.
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)		19	53,051.
	20	Other changes in net assets or fund balances (attach explanation)		20	
	21	Net assets or fund balances at end of year Combine lines 18 through 20 ▶		21	71,742.

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Part II Balance Sheets. If Total assets on line 25, column (B) are $1,250,000 or more, file Form 990 instead of Form 990-EZ

(See the instructions for Part II)	(A) Beginning of year		(B) End of year
22 Cash, savings, and investments	1,169.	22	105,339.
23 Land and buildings		23	
24 Other assets (describe ▶ SEE STMT)	138,925.	24	139,012.
25 **Total assets**	140,094.	25	244,351.
26 **Total liabilities** (describe ▶ SEE STMT)	87,043.	26	172,609.
27 **Net assets or fund balances** (line 27 of column (B) must agree with line 21)	53,051.	27	71,742.

For Privacy Act and Paperwork Reduction Act Notice, see the separate Instruction.

Form **990-EZ** (2009)

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ENVELOPE POSTMARK DATE JUN 30 2011

SCANNED JUL 14 2011

IRS 67

Part III Statement of Program Service Accomplishments (See the instructions for Part III)

What is the organization's primary exempt purpose? EARLY INTERVENTION SERVICES

Describe what was achieved in carrying out the organization's exempt purposes In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title

Expenses (Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts, optional for others)

28	CREATING STRATEGIES THAT IMPACT THEIR CHILDS DEVELOPMEN USING THEIR OWN UNIQUE STRENGTHS AND ABILITIES (Grants $ 700,229.) If this amount includes foreign grants, check here ▶ ☐	28a	705,693.
29	(Grants $) If this amount includes foreign grants, check here ▶ ☐	29a	
30	(Grants $) If this amount includes foreign grants, check here ▶ ☐	30a	
31	Other program services (attach schedule) (Grants $) If this amount includes foreign grants, check here ▶ ☐	31a	
32	**Total program service expenses** (add lines 28a through 31a) ▶	32	705,693.

Part IV List of Officers, Directors, Trustees, and Key Employees. List each one even if not compensated (See the instr)

(a) Name and address	(b) Title & average hours per week devoted to position	(c) Compensation (If not paid, enter -0-.)	(d) Contributions to employee benefit plans & deferred comp	(e) Expense account and other allowances
JOETTA MORAN GLOVER 1021 IRVIN Huntingdon PA 19006	PRESIDENT 60	93,000.		
GABRIELLE GLOVER LUCAS 6144 REACH Philadelph PA 19111	SECRETARY 10	0		
JONATHAN GLOVER 1021 IRVIN Huntingdon PA 19006	VOLUNTEER 10	0		
DONALD GARDNER 7022 GEORG PHILADELPH PA 19138	TREASURER 10	0		
CONSUELA TENNESSEE 7499 BRIAR PHILADELPH PA 19138	VICE PRESI 10	0		
KIM LEE KERSEY 1021 DISST PHILADELPH PA 19149	VOLUNTEER 10	0		

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Part V Other Information (Note the statement requirements in the instructions for Part V)

			Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	33		X
34	Were any changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the changes	34		X
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but **not** reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T			
a	Did the organization have unrelated business gross income of $1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements?	35a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	35b		
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N	36		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions ▶ 37a 0			
b	Did the organization file **Form 1120-POL** for this year?	37b		
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee were any such loans made in a prior year and still outstanding at the end of the period covered by this return?	38a		X
b	If "Yes," complete Schedule L, Part II and enter the total amount involved 38b			
39	Section 501(c)(7) organizations Enter			
a	Initiation fees and capital contributions included on line 9 39a			
b	Gross receipts, included on line 9, for public use of club facilities 39b			
40a	Section 501(c)(3) organizations Enter amount of tax imposed on the organization during the year under section 4911 ▶ _____, section 4912 ▶ _____, section 4955 ▶ _____			
b	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes", complete Schedule L, Part I	40b		X
c	Section 501(c)(3) and 501(c)(4) organizations Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ _____			
d	Section 501(c)(3) and 501(c)(4) organizations Enter amount of tax on line 40c reimbursed by the organization ▶ _____			
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T	40e		X

41 List the states with which a copy of this return is filed ▶ PA

42a The organizations books are in care of ▶ JOETTA MORAN GLOVER Telephone no ▶ 215-879-4023

Located at ▶ 4950 PARKSIDE AVENUE FL 5 PA Philadelphia ZIP + 4 ▶ 19131

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for **Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.**	42b		X
c	At any time during the calendar year, did the organization maintain an office outside of the U S ? If "Yes," enter the name of the foreign country ▶ _____	42c		X

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041** - Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43

			Yes	No
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ	44		X
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ	45		X

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Part VI **Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only.**

All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46 - 49b and complete the tables for lines 50 and 51

			Yes	No
46	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	46		X
47	Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	47		X
48	Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48		X
49a	Did the organization make any transfers to an exempt non-charitable related organization?	49a		X
b	If "Yes," was the related organization a section 527 organization?	49b		

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than $100,000 of compensation from the organization If there is none, enter "None "

(a) Name and address of each employee paid more than $100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				

f Total number of other employees paid over $100,000 ▶

51 Complete this table for the organization's five highest compensated independent contractors who each received more than $100,000 of compensation from the organization If there is none, enter "None "

(a) Name and address of each independent contractor paid more than $100,000	(b) Type of service	(c) Compensation
NONE		

d Total number of other independent contractors each receiving over $100,000 ▶

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

▶ Signature of officer — Date 06/27/2011

▶ JOETTA MORAN GLOVER PRESIDENT

Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶	Date 06/27/2011	Check if self-employed ▶ X	Preparer's Identifying No (See instr) P01295244
Firm's name (or yours if self-employed) address, and ZIP + 4	J Travis & Associates Post Office Box 20743 PHILADELPHIA PA 19138-0743	EIN ▶23-2869293 Phone no ▶215-477-2121	

May the IRS discuss this return with the preparer shown above? See instructions ▶ X Yes No

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SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organizations or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
VILLAGE CARE FAMILY SERVICES INC

Employer identification number
23-3009161

Part I Reason for Public Charity Status (All organizations must complete this part) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 [ ] A church, convention of churches, or association of churches described **section 170(b)(1)(A)(i).**

2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 [ ] A hospital or a cooperative hospital service organization described **section 170(b)(1)(A)(iii)**

4 [ ] A medical research organization operated in conjunction with a hospital described **section 170(b)(1)(A)(iii)** Enter the hospital's name, city, and state _____

5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described **section 170(b)(1)(A)(iv).** (Complete Part II)

6 [ ] A federal, state, or local government or governmental unit described **section 170(b)(1)(A)(v).**

7 [ ] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 [ ] A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 [X] An organization that normally receives (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)** (Complete Part III)

10 [ ] An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a [ ] Type I b [ ] Type II c [ ] Type III - Functionally integrated d [ ] Type III - Other

e [ ] By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box [X]

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section **(see instructions)**)	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

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Part III **Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7 a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources					1149.	1149.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30,1975						
c Add lines 10a and 10b					1149.	1149.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, & 12)					1149.	1149.

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	0.00 %
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	100.00 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2009** (line 10c, column (f) divided by line 13, column (f))	17	100.00 %
18 Investment income percentage from **2008** Schedule A, Part III, line 17	18	1.00 %

19a 33 1/3 % support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3 % support tests - 2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here** The organization qualifies as a publicly supported organization ▶ ☒

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

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US 990 Other Assets 2009

Description	Beginning of year book value	End of year book value	FMV
ACCOUNT RECEIVABLES	82,577.	85,131.	
OTHER RECEIVABLES		22,800.	
PREPAID EXPENSES	6,586.	3,240.	
PROPERTY AND EQUIPMENT	15,773.	13,236.	
ADVANCE TO OFFICER	31,889.	12,505.	
SECURITY DEPOSIT	2,100.	2,100.	
	138,925.	139,012.	

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US 990 Other Liabilities 2009

Description	Beginning of year book amount	End of year book amount
CURRENT MATURITIES OF LONG TERM DEB	15,865.	59,168.
ACCOUNTS PAYABLE AND ACCRUED EXPENS	56,609.	93,719.
ACCRUED INTEREST	14,569.	19,722.
	87,043.	172,609.

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US 990 Other Revenue (990EZ, Page 1, Line 8) 2009

Description	Amount
RENTAL INCOME FROM SUB-LET	22,800.
	22,800.

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VILLAGE CARE FAMILY SERVICES

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

JUNE 30, 2010 AND 2009

Village Care Family Services
Contents

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5-7
SUPPLEMENTARY INFORMATION	
Independent Auditors' Opinion on Supplementary Financial Schedules Required by Sections 1000 to 6000	8
Early Intervention Cost Settlement Report	9
Program Activity Invoice Summary	10
Schedule of Adjustments on Program Activity Invoice Summary	11
OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS	
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	12-13
Schedule of Findings and Recommendations	14

Siegal & Drossner, PC
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

Independent Auditors' Report

Board of Directors
Village Care Family Services
Philadelphia, Pennsylvania

We have audited the accompanying statements of financial position of Village Care Family Services (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits 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 audits provide 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 Village Care Family Services as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2011 on our consideration of Village Care Family Services' 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 audits.

Siegal & Drossner, P.C.

Certified Public Accountants
Elkins Park, Pennsylvania

June 9, 2011

tel 215.517 5600 ▪ fax 215.517.5610 ▪ 300 Yorktown Plaza ▪ Elkins Park, PA 19027 ▪ www siegaldrossner.com

Village Care Family Services
Statements of Financial Position

JUNE 30,	2010	2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 105,339	$ 1,169
Accounts receivable	85,131	82,577
Other receivables	22,800	
Prepaid expenses	3,240	6,586
Total current assets	216,510	90,332
Property and equipment, net	13,236	15,773
Advance to officer	12,505	31,889
Security deposit	2,100	2,100
	$ 244,351	$ 140,094
LIABILITIES		
Current liabilities		
Current maturities of long-term debt	$ 59,168	$ 15,865
Accounts payable and accrued expenses	93,719	56,609
Accrued interest	19,722	14,569
Total current liabilities	172,609	87,043
NET ASSETS		
Unrestricted	71,742	53,051
	$ 244,351	$ 140,094

See accompanying notes to financial statements.

Village Care Family Services
Statements of Activities

YEARS ENDED JUNE 30,	2010	2009
UNRESTRICTED NET ASSETS		
Unrestricted Revenues		
Program service fees	$ 700,229	$ 829,297
Rental income	22,800	7,500
Interest income	1,355	1,149
	724,384	837,946
Expenses		
Program services:		
Salaries, benefits, and consulting fees	512,026	643,448
Support services.		
General and administrative	193,667	196,416
	705,693	839,864
CHANGE IN NET ASSETS	18,691	(1,918)
Net assets, beginning of year	53,051	54,969
NET ASSETS, END OF YEAR	$ 71,742	$ 53,051

See accompanying notes to financial statements

Village Care Family Services
Statements of Cash Flows

YEARS ENDED JUNE 30,	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 18,691	$ (1,918)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	5,288	5,503
Changes in operating assets and liabilities:		
Accounts receivable	(2,554)	(66,003)
Prepaid expenses	3,346	(1,586)
Other receivable	(22,800)	49,879
Accounts payable and accrued expenses	37,110	2,623
Accrued interest	5,153	1,269
Deferred revenue	-	(218,095)
Net cash provided by (used in) operating activities	44,234	(228,328)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(2,751)	-
Advances to officer	19,384	(16,649)
Net cash provided by (used in) investing activities	16,633	(16,649)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	43,303	-
Net cash used in financing activities	43,303	-
Net increase (decrease) in cash and cash equivalents	104,170	(244,977)
Cash and cash equivalents, beginning of year	1,169	246,146
Cash and cash equivalents, end of year	$ 105,339	$ 1,169
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ -	$ -

See accompanying notes to financial statements.

1. NATURE OF ACTIVITIES

Village Care Family Services (the Organization) began operating as a non-profit organization for the City of Philadelphia, Department of Public Health, Office of Mental Health/Mental Retardation in July 2003. The Organization's main focus is the provision of home/community based early intervention services which include occupational therapy, physical therapy, special instruction and speech therapy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's financial statements are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of FASB ASC 958, *Not-For-Profit Entities* Under ASC 958, 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. All of the organization's net assets are unrestricted at June 30, 2010 and 2009

Use of Estimates

The preparation of financial statements in conformity with U.S 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.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The Organization adopted the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes,* for the year ended June 30, 2010. Management has evaluated the Organization's tax positions and determined that the Organization has not filed the required Form 990, Return of Organizations Exempt from Income Tax, since it was granted exemption effective May 23, 2002, but has filed Form 1120, U S. Corporation Income Tax Return, through the year ended June 30, 2007 Should the Organization's tax exempt status be revoked for not filing the required returns, they could incur a potential federal and state tax liability of approximately $38,000, including interest and penalties.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents Cash equivalents whose use is limited are not considered cash and cash equivalents, for purposes of the statement of cash flows

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue

The Organization receives its contract support primarily from the City of Philadelphia Support received from the contract is recognized on a "fee-for-service" basis. Accordingly, fee income is recognized when services are performed.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization provides an allowance for bad debts if collectability appears uncertain. At June 30, 2010 and 2009, an allowance was not warranted.

Property and Equipment

Property and equipment are stated at cost Expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. Depreciation and amortization is provided by the straight-line method over the estimated useful lives of the assets; equipment (5 years) and leasehold improvements (15 years).

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30

	2010	2009
Vehicles	$ 14,828	$ 14,828
Office equipment	17,818	17,818
Leasehold improvements	5,850	3,100
Accumulated depreciation and amortization	(25,260)	(19,973)
	$ 13,236	$ 15,773

Depreciation and amortization expense was $5,288 and $5,503 for the years ended June 30, 2010 and 2009 respectively.

4. ADVANCES TO OFFICER

Advances to an officer totaled $12,505 and $31,889 as of June 30, 2010 and 2009, respectively The advances have no stated repayment terms, and accrue interest at 5% per annum.

5. LONG-TERM DEBT AND RELATED PARTY TRANSACTION

The Organization has a note outstanding of $15,865 as of June 30, 2010 and 2009, plus accrued interest of $16,155 and $14,569, as of June 30, 2009 and 2008, respectively. The note is supposed to be payable in 36 installments of $2,646 including interest at 10% per annum beginning January 2006, but no payments were made during the years ended June 30, 2010 and 2009.

A member of the Board loaned the Organization $43,303 during the year ended June 30, 2010. The note was due on or before June 30, 2010, with interest at 10% per annum. The loan was not repaid, and accrued interest payable was $3,567 as of June 30, 2010

The annual maturities of long-term debt are $59,168 as of June 30, 2011

6. OPERATING LEASE

The Organization leases its office facilities under an operating lease expiring July 31, 2013. In addition to the basic minimum rent, the Organization is responsible for its proportionate share of taxes, insurance, and occupancy costs. Future minimum lease payments under the lease are $54,332, $56,385, and $4,713 for the years ending June 30, 2011, 2012, and 2013, respectively Rent expense was $64,270 and $53,300 for the years ended June 30, 2010 and 2009, respectively

The Organization subleases a portion of its office facilities on a month-to-month basis. In addition to the basis minimum rent, the tenant is responsible for its proportionate share of utilities and common area maintenance. Rental income was $22,800 and $7,500 for the years ended June 30, 2010 and 2009, respectively.

7. CONCENTRATION

The Organization received 81% and 83%, respectively, of its support from a contract with the City of Philadelphia for the years ended June 30, 2010 and 2009, respectively. Accounts receivable from the City of Philadelphia was $64,311 and $49,083 as of June 30, 2010 and 2009, respectively.

Siegal & Drossner, PC
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

Independent Auditors' Opinion on
Supplementary Financial Schedules
Required by Sections 1000 to 6000

Board of Directors
Village Care Family Services
Philadelphia, Pennsylvania

We have audited the financial statements of Village Care Family Services for the years ended June 30, 2010 and 2009, and have issued our report thereon dated June 9, 2011. These financial statements are the responsibility of Village Care Family Services' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *City of Philadelphia Subrecipient Audit Guide.* Those standards and the *City of Philadelphia Subrecipient Audit Guide* 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

Our audits were made for the purpose of forming an opinion on the basic financial statements of Village Care Family Services taken as a whole. The Early Intervention Cost Settlement Report, Program Activity Invoice Summary, and Schedule of Adjustments on Program Activity Invoice Summary as required by Sections 1000 to 6000 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in those schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Siegal & Drossner, P.C.

Certified Public Accountants
Elkins Park, Pennsylvania

June 9, 2011

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EARLY INTERVENTION COST SETTLEMENT REPORT	City Of Philadelphia DEPT. OF BEHAVIORAL HEALTH & MENTAL RETARDATION SERVICES	AGENCY: VILLAGE CARE FAMILY SERVICES, INC.		PERIOD COVERED : 04/01/2010 - 06/30/2010
		PROGRAM ACTIVITY: HOME/COMMUNITY BASED SVCS	CODE: 2020942	DATE SUBMITTED:

ACTUAL COST

CLASSIFICATION	SOCIAL WORK	AUDIO SERV	HEARING SENS	HEALTH SERV	NURS SERV	NUTRN. SERV	OCCUP THER	PHYS THER	PSYCH SERV	SPEECH PATH	SERVICE COORD	SPEC INSTR	TOTAL
1 PERSONNEL							67,608	66,027		71,923		296,344	501,902
2 OPERATING							20,273	19,799		21,567		88,862	150,501
3 ADMINISTRATION							6,466	6,315		6,878		28,341	48,000
4 TOTAL ELIGIBLE	0	0	0	0	0	0	94,347	92,141	0	100,368	0	413,547	700,403
5 OTHER REVENUE													
6 NET COST	**0**	**0**	**0**	**0**	**0**	**0**	**94,347**	**92,141**	**0**	**100,368**	**0**	**413,547**	**700,403**
FEE REVENUE													
7 DIRECT SERV UNITS							3,165	3,091		3,367		13,873	23,496
8 AUTHORIZED RATE							31 45	31.45		31 45		27 71	
9 TOTAL FEES	0	0	0	0	0	0	99,539	97,212	0	105,892	0	384,421	687,064
10 MA/PI FEES							26,228	38,988		36,757			101,973
11 COUNTY FEES	**0**	**0**	**0**	**0**	**0**	**0**	**73,311**	**58,224**	**0**	**69,135**	**0**	**384,421**	**585,091**
FEES vs. COST COMPARISON													
12 TOTAL FEES (line 11)	0	0	0	0	0	0	99,539	97,212	0	105,892	0	384,421	687,064
13 NET COST (line 6)	0	0	0	0	0	0	94,347	92,141	0	100,368	0	413,547	700,403
14 SURPLUS/(DEFICIT)	0	0	0	0	0	0	5,192	5,071	0	5,524	0	-29,126	**-13,339**
DIRECT RATE COMPARISON													
15 NET COST (line 6)	0	0	0	0	0	0	94,347	92,141	0	100,368	0	413,547	700,403
16 DIRECT UNIT (line 7)	0	0	0	0	0	0	3,165	3,091	0	3,367	0	13,873	23,496
17 ACTUAL RATE	0.00	0.00	0 00	0 00	0 00	0 00	29 81	29.81	0 00	29 81	0.00	29.81	
18 BUDGETED RATE	0.00	0.00	0 00	0 00	0 00	0 00	31 45	31 45	0 00	31 45	0 00	27.71	
19 DIFFERENCE	0 00	0 00	0 00	0 00	0 00	0.00	-1 64	-1 64	0 00	-1 64	0 00	2.10	

See accompanying notes to financial statements

PROGRAM ACTIVITY INVOICE SUMMARY

MENTAL RETARDATION SERVICES

CITY OF PHILADELPHIA
DEPT. OF BEHAVIOR HEALTH & MENTAL RETARDATION SERVICES

AGENCY: VCFS, INC.
[redacted]
APPROVED
PRESIDENT/CEO:
JOETTA MORAN KERSEY
BOARD CHAIRPERSON:

PERIOD:
FROM:4/1/09 TO:6/30/09
DATE SUBMITTED:

PROGRAM ACTIVITY	PAC CODE	PROGRAM NAME	ELIGIBLE EXPENDITURES					REVENUE	NET TO BE FUNDED	INELIGIBLE COST
			PERSONNEL	OPERATING	ADMIN.	RET. REV.	TOTAL			
HOME/COMMUNITY BASED	2020942	EIP-0520052-03	501,902	150,501	48,000		700,403	101,973	598,430	
TOTAL			501,902	150,501	48,000	0	700,403	101,973	598,430	0

See accompanying notes to financial statements

Village Care Family Services
Schedule of Adjustments on Program Activity Invoice Summary
Year Ended June 30, 2010

Program Activity	Total Per Invoice	Total Per Audit	Adjustment/ Difference	
Personnel	$ 281,887	$ 501,902	$ 220,015	(A)
Operating	302,122	150,501	(151,621)	(A)
Administration	103,055	48,000	(55,055)	(A)
Total	687,064	700,403	13,339	
Revenue	-	-	-	
Net to be funded	$ 687,064	$ 700,403	$ 13,339	(B)

Explanation of Adjustment/Difference:

(A) Reconciliation of actual costs incurred to costs per cost settlement report submitted.

(B) Resultant effect due to previous adjustments

See accompanying notes to financial statements.

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Siegal & Drossner, PC
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Village Care Family Services, Inc.
Philadelphia, Pennsylvania

We have audited the financial statements of Village Care Family Services, Inc. (the Organization) as of and for the years ended June 30, 2010 and 2009, and have issued our report thereon, dated June 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and recommendations, we have identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanyng schedule of findings and recommendations as items 10-01 and 10-02 to be material weaknesses

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The Organization's responses to the findings identified in our audit is described in the accompanying schedule of findings and recommendations We did not audit the Organization's responses and, accordingly, we express no opinion on them.

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

Siegel & Drossner, P.C.

Certified Public Accountants
Elkins Park, Pennsylvania

June 9, 2011

Finding 10-01

Criteria: Management is responsible for the accuracy and completeness of all financial records and related information. Their responsibilities include adjusting the financial statements to correct material misstatements. Management is responsible for controls over the period-end financial reporting process, including controls over procedures used to enter transaction totals into the general ledger, initiate, authorize, record and process journal entries into the general ledger, and record recurring and nonrecurring adjustments to the financial statements.

Condition: During the performance of our audit engagament procedures, we noted management had not adjusted all account balances to reflect their appropriate year-end balance This is a necessary step in ensuring that financial statements are fairly stated The unrecorded differences were, in our judgment, material to the financial statements. Since the Organization's control policies and procedures did not prevent and detect a material misstatement of the financial statements, we concluded there is a material weakness in the in the Organization's control policies and procedures required to be reported under professional standards.

Auditors' Recommendation: We recommend that the Organization work to adjust all account balances to reflect appropriate year-end balances. This process would ideally occur before the year-end external audit.

Management Response: Management will evaluate the material audit adjustments for 2009 and will attempt to eliminate as many as possible going forward

Finding 10-02:

Criteria: Management is responsible for the accuracy and completeness of all financial records and related information, which includes their ability to prepare draft financial statements and related footnotes.

Condition: As part of the audit, management requested that the external auditors prepare a draft of the financial statements and related notes. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance. However, management does not have the ability to evaluate the completeness of financial statement disclosures This lack of ability constitutes a material weakness and is required to be reported under professional standards.

Auditors' Recommendation: We recommend that the School evaluate whether it would be feasible for the fiscal department to prepare its own financial statements and related footnotes for 2010 It is not unusual for schools of their size to rely on the external auditors to prepare the financial statements and related footnotes

Management Response: Management acknowledges the recommendation, but does not foresee having the resources to prepare draft financial statements and related footnotes for 2010 Management will continue to have the draft financial statements and related footnotes prepared by the external auditors as a non-attest service.