

**ABUSE COUNSELING
AND TREATMENT, INC.
FORT MYERS, FLORIDA
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT	2-3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statement of Activities	5
Statements of Cash Flows	6
Statement of Functional Expenses	7
Notes to Financial Statements	8-16
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards and State Financial Assistance	18-20
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	21-22
Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project And on Internal Control over Compliance Required by OMB Circular A-133 and by Chapter 10.650 F.S., <i>Rules of the Auditor General of the State of Florida</i>	23-24
Schedule of Findings and Questioned Costs	25-26
- Summary of Auditor’s Results	
- Findings Related to the Financial Statements Required to be Reported in Accordance with <i>Government Auditing Standards</i>	
- Findings and Questioned Costs for Major Federal Programs and State Projects	
Summary Schedule of Prior Audit Findings	27



Cindy
D'Artagnan
CPA, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Abuse Counseling and Treatment, Inc.
Fort Myers, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Abuse Counseling and Treatment, Inc., which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from Abuse Counseling and Treatment, Inc.'s 2013 financial statements and, in our report dated November 21, 2013, we expressed an unmodified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Abuse Counseling and Treatment, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

The audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014, on our consideration of Abuse Counseling and Treatment, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Abuse Counseling and Treatment, Inc.'s internal control over financial reporting and compliance.

Cindy D'Artagnan, CPA, LLC

November 20, 2014

CINDY D'ARTAGNAN, CPA, LLC

ABUSE COUNSELING AND TREATMENT, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2014	2013
ASSETS		
Cash and cash equivalents	\$ 750,894	\$ 721,075
Investments	103	103
Grants receivable	150,517	114,450
Accounts receivable	16,467	29,305
Prepaid expenses	10,532	9,167
Second ACT inventory	94,663	89,168
Property and equipment (net of accumulated depreciation of \$1,140,014 for 2014 and \$1,054,060 for 2013)	2,229,907	1,995,204
Deposits	15,268	15,242
Total assets	\$ 3,268,351	\$ 2,973,714
 LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 81,494	\$ 81,000
Compensated absences	65,277	52,314
Mortgage payable - current maturities	18,259	236,106
Deferred revenue	2,500	20,875
Total current liabilities	167,530	390,295
LONG-TERM LIABILITIES		
Mortgage payable - net of current maturities	198,774	-
Total liabilities	366,304	390,295
NET ASSETS		
Unrestricted	2,802,047	2,483,419
Temporarily restricted	100,000	100,000
Total net assets	2,902,047	2,583,419
Total liabilities and net assets	\$ 3,268,351	\$ 2,973,714

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

ABUSE COUNSELING AND TREATMENT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
REVENUES AND SUPPORT				
Federal grants	\$ 691,194	\$ -	\$ 691,194	\$ 758,636
State grants	731,362	-	731,362	342,020
Lee County	317,381	-	317,381	317,528
United Way	316,200	-	316,200	316,200
Other local grants	32,984	-	32,984	92,679
Contributions	596,788	-	596,788	502,862
Intervention program	156,091	-	156,091	134,089
Contracts	82,575	-	82,575	72,385
Fundraising				
Arts for ACT fundraiser	112,703	-	112,703	129,925
Second ACT resale shop	380,369	-	380,369	362,816
Arts for ACT gallery	100,412	-	100,412	93,038
In-kind	178,703	-	178,703	43,214
Other	4,463	-	4,463	4,886
 Total revenues and support	 <u>3,701,225</u>	 <u>-</u>	 <u>3,701,225</u>	 <u>3,170,278</u>
EXPENSES				
Program services				
Residential	1,472,814	-	1,472,814	1,410,670
Non-residential	904,077	-	904,077	849,182
Rape Crisis Center	149,501	-	149,501	103,896
Education	201,026	-	201,026	204,527
Supporting services				
General and administrative	92,372	-	92,372	82,592
Fundraising	562,807	-	562,807	520,598
 Total expenses	 <u>3,382,597</u>	 <u>-</u>	 <u>3,382,597</u>	 <u>3,171,465</u>
 Increase (decrease) in net assets	 318,628	 -	 318,628	 (1,187)
 NET ASSETS - July 1, 2013 and 2012	 <u>2,483,419</u>	 <u>100,000</u>	 <u>2,583,419</u>	 <u>2,584,606</u>
 NET ASSETS - June 30,	 <u>\$ 2,802,047</u>	 <u>\$ 100,000</u>	 <u>\$ 2,902,047</u>	 <u>\$ 2,583,419</u>

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

ABUSE COUNSELING AND TREATMENT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 318,628	\$ (1,187)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	128,942	120,357
Loss (gain) on disposal of assets	332	(3,074)
Capitalized non-cash contributions	(110,765)	-
Increase in grants receivable	(36,067)	(23,147)
Decrease (increase) in accounts receivable	12,838	(15,829)
Increase in prepaid expenses	(1,365)	(2,846)
Increase in Second ACT inventory	(5,495)	(4,535)
(Increase) decrease in deposits	(26)	2,566
Increase in accounts payable and accrued expenses	495	16,993
Increase (decrease) in compensated absences	12,963	(7,499)
(Decrease) increase in deferred revenue	(18,375)	8,175
Total adjustments	(16,523)	91,161
Net cash provided by operating activities	302,105	89,974
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of asset	-	3,700
Purchases of property and equipment	(253,213)	(21,773)
Net cash used by investing activities	(253,213)	(18,073)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgage payable	(19,073)	(23,639)
Net increase in cash and cash equivalents	29,819	48,262
CASH AND CASH EQUIVALENTS - July 1, 2013 and 2012	721,075	672,813
CASH AND CASH EQUIVALENTS - June 30,	\$ 750,894	\$ 721,075

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

ABUSE COUNSELING AND TREATMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	2014									2013 Total
	Program Services					Supporting Services			Total	
	Residential	Non-Residential	Rape Crisis Center	Education	Total Program	General and Admin.	Fundraising	Total Supporting		
Personnel expenses										
Salaries	\$ 948,854	\$ 604,439	\$ 97,440	\$ 137,688	\$ 1,788,421	\$ 32,727	\$ 154,028	\$ 186,755	\$ 1,975,176	\$ 1,867,405
Payroll taxes	74,876	46,336	7,917	10,713	139,842	2,804	12,141	14,945	154,787	151,840
Employee benefits	91,778	58,022	386	15,874	166,060	33,450	9,074	42,524	208,584	178,688
Total personnel	<u>1,115,508</u>	<u>708,797</u>	<u>105,743</u>	<u>164,275</u>	<u>2,094,323</u>	<u>68,981</u>	<u>175,243</u>	<u>244,224</u>	<u>2,338,547</u>	<u>2,197,933</u>
Operating expenses										
Utilities	66,288	15,834	2,925	2,019	87,066	1,996	24,391	26,387	113,453	105,757
Insurance	45,958	11,977	6,688	2,251	66,874	2,258	2,951	5,209	72,083	57,682
Rent	15,576	-	-	-	15,576	-	191,978	191,978	207,554	198,436
Printing and public relations	2,298	2,509	3,264	3,086	11,157	309	41,412	41,721	52,878	14,360
Professional fees	6,990	52,537	14,594	550	74,671	981	390	1,371	76,042	69,653
Supplies	58,212	46,750	6,065	5,265	116,292	900	83,435	84,335	200,627	237,418
Repairs and maintenance	42,417	10,568	3,517	1,739	58,241	2,758	11,566	14,324	72,565	65,874
Training and travel	8,788	8,417	1,413	2,643	21,261	987	879	1,866	23,127	16,982
Other miscellaneous	40,623	19,134	1,794	1,832	63,383	2,834	30,562	33,396	96,779	87,013
Total operating	<u>287,150</u>	<u>167,726</u>	<u>40,260</u>	<u>19,385</u>	<u>514,521</u>	<u>13,023</u>	<u>387,564</u>	<u>400,587</u>	<u>915,108</u>	<u>853,175</u>
Total expenses before depreciation	1,402,658	876,523	146,003	183,660	2,608,844	82,004	562,807	644,811	3,253,655	3,051,108
Depreciation	70,156	27,554	3,498	17,366	118,574	10,368	-	10,368	128,942	120,357
Total expenses	<u>\$ 1,472,814</u>	<u>\$ 904,077</u>	<u>\$ 149,501</u>	<u>\$ 201,026</u>	<u>\$ 2,727,418</u>	<u>\$ 92,372</u>	<u>\$ 562,807</u>	<u>\$ 655,179</u>	<u>\$ 3,382,597</u>	<u>\$ 3,171,465</u>

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

ABUSE COUNSELING AND TREATMENT, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 1 - THE ORGANIZATION

Abuse Counseling and Treatment, Inc. (“ACT”) was incorporated on September 12, 1978, under the laws of Florida as a nonprofit organization to eliminate domestic and sexual violence through the provisions of safe shelter, counseling, crisis intervention, education, advocacy and empowerment.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Framework

ACT’s financial statements have been prepared using the accrual reporting framework. Under this method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Revenue and Support

Support from federal and state grants is recorded based upon the terms of the grantor allotments, which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred.

Contributions and grants received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

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 (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Valuation of Investments

Investments with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

In-Kind Contributions

In-kind contributions are recorded as contributions in the accompanying financial statements at their estimated current value on the date of receipt. Contributions of services are recognized only if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation.

Inventory

Inventory is stated at the lower of cost or market value and consists of merchandise held for resale.

ABUSE COUNSELING AND TREATMENT, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost. Donated assets, if any, are recorded at their fair market value at the time of donation. Additions and major renewals in excess of \$1,000 are capitalized. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets, which range from three to 50 years. The cost of maintenance and repairs is charged to operations, as incurred. See Note 5 for additional information.

Advertising

ACT expenses advertising costs when incurred. During the years ended June 30, 2014 and 2013, advertising costs were \$ 38,062 and \$2,594, respectively, and are included in printing and public relations on the statement of functional expenses. The 2014 advertising costs include \$29,400 of in-kind contributions.

Income Taxes

ACT has been granted a ruling that it is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"). No tax liability was incurred for the years ended June 30, 2014 or 2013. ACT is a non-profit Florida corporation and, therefore, is not subject to state income taxes. Accordingly, no provision for income taxes has been made. ACT is not considered a private foundation within the meaning of Section 509(a) of the Code.

ACT has not identified any tax positions that it would consider uncertain tax positions as identified by the Financial Accounting Standards Board ("FASB") Accounting Standards Code Section 740. The 2010, 2011, and 2012 tax returns remain open to examination.

Cash Flows

For purposes of the statement of cash flows, ACT considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are recorded at cost.

ACT made cash payments of \$13,298 for interest and no cash payments for income taxes during the year ended June 30, 2014.

ACT made cash payments of \$14,897 for interest and no cash payments for income taxes during the year ended June 30, 2013.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs are allocated to the programs based on various allocation methods including estimated usage, square footage, and employee time.

ABUSE COUNSELING AND TREATMENT, INC
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014 AND 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

ACT accrues for vacation benefits earned by employees, but not yet taken. As of June 30, 2014 and 2013, unused vacation time totaled \$65,277 and \$52,314, respectively.

Accounts Receivable

Accounts receivable are recorded at cost. ACT accounts for potential losses in accounts receivable, if any, utilizing the allowance method. All accounts or portions thereof deemed to be uncollectible are written off to an allowance for bad debt.

Subsequent Events

Subsequent events have been considered through the date of the audit report, which is the date the financial statements were available to be issued.

Estimates

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

NOTE 3 - CONCENTRATION OF CREDIT RISK

ACT maintains its cash and cash equivalent accounts at various commercial banking institutions located in Fort Myers, Florida. Accounts at the commercial banking institutions are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. As of June 30, 2014 and 2013, the uninsured balance was \$58,493 and \$82,512, respectively, based on the bank statement balances less FDIC insurance.

NOTE 4 - GRANTS AND OTHER ACCOUNTS RECEIVABLE

Grants receivable consisted of the following as of June 30, 2014 and 2013:

	2014	2013
City of Cape Coral	\$ 2,235	\$ 2,088
Florida Attorney General	14,800	28,191
Florida Coalition Against Domestic Violence	69,687	48,566
Florida Coalition Against Sexual Assault	27,392	8,399
Florida Department of Health	9,930	701
Lee County	26,473	26,505
	\$ 150,517	\$ 114,450

All accounts receivable are considered collectible; therefore no allowance for bad debt has been recorded.

ABUSE COUNSELING AND TREATMENT, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2014 and 2013:

	Estimated <u>Useful Lives</u>	<u>2014 Costs</u>	<u>2013 Costs</u>
Land and land improvements	N/A	\$ 324,928	\$ 283,038
Buildings and improvements	5-50 years	2,573,590	2,397,063
Furniture and equipment	3-10 years	431,580	330,994
Vehicles	5 years	39,823	38,169
		<u>3,369,921</u>	<u>3,049,264</u>
Less: accumulated depreciation		<u>(1,140,014)</u>	<u>(1,054,060)</u>
		<u>\$ 2,229,907</u>	<u>\$ 1,995,204</u>

Depreciation expense for the years ended June 30, 2014 and 2013, was \$128,942 and \$120,357, respectively, and is allocated among program and supporting services.

NOTE 6 - MORTGAGE PAYABLE

As of June 30, 2014, mortgage payable consisted of the following:

Mortgage payable to a commercial bank in the principal amount of \$220,336; payable in monthly installments of \$2,261 including interest at 4.25%; balloon payment due April, 2019; collateralized by real property. \$ 217,033

As of June 30, 2013, mortgage payable consisted of the following:

Mortgage payable to a commercial bank in the principal amount of \$343,637; payable in monthly installments of \$2,211 including interest at 5.9%; balloon payment due May 2014; collateralized by real property. \$ 236,106

Interest on the mortgage payable during the years ended June 30, 2014 and 2013, was \$13,332 and \$14,897, respectively, and is included in other miscellaneous expenses on the statement of functional expenses.

ABUSE COUNSELING AND TREATMENT, INC
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014 AND 2013

NOTE 6 - MORTGAGE PAYABLE (Continued)

Future maturities on the mortgage payable consist of the following:

Year ending June 30,		
2015	\$	18,259
2016		19,050
2017		19,876
2018		20,737
2019		139,111
	<u>\$</u>	<u>217,033</u>

NOTE 7 - DEFERRED REVENUE

Deferred revenue as of June 30, 2014 and 2013, consisted of the following:

	<u>2014</u>	<u>2013</u>
Arts for ACT sponsors and advertisements	\$ 2,500	\$ 15,250
Arts for ACT ticket and raffle sales	-	5,625
	<u>\$ 2,500</u>	<u>\$ 20,875</u>

NOTE 8 - UNRESTRICTED NET ASSETS

As of June 30, 2014 and 2013, unrestricted net assets consisted of the following:

	<u>2014</u>	<u>2013</u>
Unrestricted, undesignated	\$ 359,140	\$ 275,215
Board designated for future reserves	213,000	213,000
Invested in property and equipment	2,229,907	1,995,204
	<u>\$ 2,802,047</u>	<u>\$ 2,483,419</u>

NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

As of June 30, 2014 and 2013, temporarily restricted net assets were restricted for housing for homeless women.

ABUSE COUNSELING AND TREATMENT, INC
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014 AND 2013

NOTE 10 - LEE COUNTY INCOME

ACT received grants from Lee County during the years ended June 30, 2014 and 2013. Total revenue received from Lee County for the years ended June 30, 2014 and 2013, consisted of the following:

	2014	2013
Lee County 5829	\$ -	\$ 78,983
Lee County 6191	79,124	238,545
Lee County 6561	238,257	-
	\$ 317,381	\$ 317,528

NOTE 11 - FUNDRAISING

Fundraising income for the years ended June 30, 2014 and 2013, consisted of the following:

	2014	2013
Arts for ACT fundraiser	\$ 112,703	\$ 129,925
Second ACT resale shop	380,369	362,816
Arts for ACT gallery	100,412	93,038
	\$ 593,484	\$ 585,779

NOTE 12 - IN-KIND CONTRIBUTIONS

During the years ended June 30, 2014 and 2013, ACT recognized in-kind contributions as follows:

	2014	2013
Advertising	\$ 29,400	\$ -
Bus passes and gift cards	1,000	-
Discount on building purchase	50,000	-
Discount on software purchases	60,765	-
Food	32,043	34,702
Health and hygiene products	-	1,970
Landscaping services	-	2,007
Thrift store inventory	5,495	4,535
	\$ 178,703	\$ 43,214

Revenue related to the sale of contributed thrift store inventory throughout the year is recognized as fundraising revenue. Any net increase in thrift store inventory at the end of the period is recorded as in-kind contributions, and any net decrease in thrift store inventory at the end of the period is recorded as cost of sales. During the years ended June 30, 2014 and 2013, ACT recognized \$5,495 and \$4,535, respectively, in contributed inventory. In addition to the amounts above, numerous volunteer hours were contributed which did not meet the requirements for recognition under generally accepted accounting principles.

ABUSE COUNSELING AND TREATMENT, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 13 - OPERATING LEASES

ACT leases space for the Second ACT resale shop and the Arts for ACT Gallery.

The lease for the gallery is an annual lease with options to renew for additional one-year periods.

The lease for the resale shop was for a three-year period commencing on July 15, 2009. During the year ended June 30, 2012, the lease was renewed for an additional three-year period which commenced on July 15, 2012. The lease calls for rental payments of \$13,650 for the first 12 months, with 6% increases in the subsequent 12-month periods.

Future minimum payments under the thrift store lease are as follows:

Year ending June 30,	
2015	\$ 183,610
2016	<u>7,668</u>
	<u>\$ 191,278</u>

Total expense under the leases for the years ended June 30, 2014 and 2013, was \$191,978 and \$186,616, respectively, and is included in rent expense on the statement of functional expenses.

NOTE 14 - MATCHING REQUIREMENTS

ACT received a portion of its support from funds passed through the Florida Attorney General's Office and the Florida Coalition Against Domestic Violence which had matching requirements. All matching requirements were met with cash from local sources.

ABUSE COUNSELING AND TREATMENT, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 15 - ECONOMIC DEPENDENCY

ACT receives a substantial amount of its income from grants which are awarded on a year-to-year basis.

During the year ended June 30, 2014, ACT received 20.18% of its income from grants from the Florida Coalition Against Domestic Violence totaling \$746,844, 8.58% of its income from grants from Lee County totaling \$317,381, and 8.54% of its income from a grant from United Way totaling \$316,200. In addition, during the year ended June 30, 2014, the Second ACT thrift store raised \$380,369, which represented 10.28% of the total revenues and support and one donor contributed \$387,500, which represented 10.47% of the total revenues and support.

During the year ended June 30, 2013, ACT received 19.20% of its income from grants from the Florida Coalition Against Domestic Violence totaling \$608,777, 10.02% of its income from grants from Lee County totaling \$317,528, and 9.97% of its income from a grant from United Way totaling \$316,200. In addition, during the year ended June 30, 2013, the Second ACT thrift store raised \$362,816, which represented 11.44% of the total revenues and support and one donor contributed \$359,500, which represented 11.34% of the total revenues and support.

NOTE 16 - FAIR VALUE MEASUREMENTS

The FASB has established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets, and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets. Level 3 inputs have the lowest priority.

During the year ended June 30, 2014, those items which have been recorded at fair value, and the valuation techniques used, consisted of the following:

	Level 1 - Quoted Prices in Active Markets for Identical Assets	Level 2 - Significant Other Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Advertising	\$ 29,400	\$ -	\$ -	\$ 29,400
Bus passes and gift cards	1,000	-	-	1,000
Discount on building purchase	-	50,000	-	50,000
Discount on software purchases	60,765	-	-	60,765
Donated food	32,043	-	-	32,043
Inventory	-	94,663	-	94,663
	<u>\$ 123,208</u>	<u>\$ 144,663</u>	<u>\$ -</u>	<u>\$ 267,871</u>

ABUSE COUNSELING AND TREATMENT, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 16 - FAIR VALUE MEASUREMENTS (Continued)

During the year ended June 30, 2013, those items which have been recorded at fair value, and the valuation techniques used, consisted of the following:

	Level 1 - Quoted Prices in Active Markets for Identical Assets	Level 2 - Significant Other Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Donated food	\$ 34,702	\$ -	\$ -	\$ 34,702
Health and hygiene products	1,970	-	-	1,970
Landscaping services	2,007	-	-	2,007
Inventory	-	89,168	-	89,168
	<u>\$ 38,679</u>	<u>\$ 89,168</u>	<u>\$ -</u>	<u>\$ 127,847</u>

The value of the discount on the building purchase was based on the appraised value of the property. The inventory was valued based on the prices of similar items. The values of the remaining items and services were provided by the donors, based on their market rates.

SUPPLEMENTARY INFORMATION

ABUSE COUNSELING AND TREATMENT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2014

Grantor/ Program Title	Federal CFDA/ State CSFA Number	Grant Number	Expenditures
U.S. Department of Health and Human Services:			
Passed through the Florida Coalition Against Domestic Violence:			
Temporary Assistance for Needy Families (1)	93.558	13-2202	\$ 231,273
Family Violence Prevention and Services/ Grants for Battered Women's Shelters - Grants to States and Indian Tribes (1)	93.671	13-2202	105,387
Family Violence Prevention and Services/ Grants for Battered Women's Shelters - Grants to States and Indian Tribes (1)	93.671	Shelter Supplies	3,925
			<u>109,312</u>
Passed through Tapestri, Inc.:			
Services to Victims of a Severe Form of Trafficking (2)	93.598		<u>50,620</u>
Passed through the State of Florida Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs (2)	93.136	COH6J	<u>75,075</u>
			<u>466,280</u>
U.S. Department of Housing and Urban Development:			
Passed through the City of Cape Coral:			
Community Development Block Grants/ Entitlement Grants (2)	14.218	28200710	6,336
Community Development Block Grants/ Entitlement Grants (2)	14.218	28200810	<u>20,723</u>
			<u>27,059</u>
U.S. Department of Justice:			
Passed through the State of Florida Office of the Attorney General:			
Crime Victim Assistance (2)	16.575	V11032	50,557
Crime Victim Assistance (2)	16.575	V12032	<u>138,467</u>
			<u>189,024</u>

ABUSE COUNSELING AND TREATMENT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

Grantor/ Program Title	Federal CFDA/ State CSFA Number	Grant Number	Expenditures
U.S. Department of Justice (Continued):			
Passed through the Florida Coalition Against Domestic Violence: ARRA - Violence Against Women Formula Grants (2)	16.558	Shelter Supplies	<u>319</u>
Passed through the Florida Council Against Sexual Violence: Sexual Assault Services Formula Program (2)	16.017	10b-SAS30	<u>5,198</u>
			<u>194,541</u>
U.S. Department of Homeland Security:			
Passed through United Way of America: Emergency Food and Shelter National Board Program (2)	97.024		<u>3,314</u>
			<u>3,314</u>
Total expenditures of federal awards			<u>\$ 691,194</u>
Florida Department of Health:			
Passed through the Florida Council Against Sexual Violence: Rape Crisis Program Trust Fund - Sexual Battery Victim's Access (2)	64.061	RCP32	<u>\$ 46,062</u>
Passed through the Florida Council Against Sexual Violence: Rape Crisis Centers (2)	64.069	GR32	<u>107,047</u>
			<u>153,109</u>

ABUSE COUNSELING AND TREATMENT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

Grantor/ Program Title	Federal CFDA/ State CSFA Number	Grant Number	Expenditures
Florida Department of Legal Affairs:			
Passed through the Florida Council Against Sexual Violence:			
Florida Council Against Sexual Violence (2)	41.010	OAG32	<u>19,956</u>
			<u>19,956</u>
Passed through the Florida Coalition Against Domestic Violence:			
Domestic Violence Trust Fund (1)		13-2202	117,770
Domestic Violence Trust Fund (1)		Shelter Supplies	<u>5,236</u>
			<u>123,006</u>
Passed through the Florida Coalition Against Domestic Violence:			
General revenue (1)		13-2202	261,814
General revenue (1)		Shelter Supplies	<u>520</u>
			<u>262,334</u>
Passed through the Florida Coalition Against Domestic Violence:			
Primary Prevention (1)		13-2202	<u>20,000</u>
Passed through the Florida Coalition Against Domestic Violence:			
Training (2)		13-2202	<u>600</u>
Direct grant			
Fixed Capital Outlay for Domestic Violence Capital Improvement (2)			<u>152,357</u>
Total expenditures of state financial assistance			<u>\$ 731,362</u>

- (1) Denotes a major program
(2) Denotes a non-major program

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Abuse Counseling and Treatment, Inc. and is presented using the accrual reporting framework. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



**Cindy
D'Artagnan**
CPA, LLC

**INDEPENDENT AUDITOR'S 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***

Board of Directors
Abuse Counseling and Treatment, Inc.
Fort Myers, Florida

We have audited, 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, the financial statements of Abuse Counseling and Treatment, Inc., which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 20, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Abuse Counseling and Treatment, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Abuse Counseling and Treatment, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Abuse Counseling and Treatment, Inc.'s financial statements are free from 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 the 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*.

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cindy D'Artagnan, CPA, LLC

November 20, 2014

CINDY D'ARTAGNAN, CPA, LLC



**Cindy
D'Artagnan**
CPA, LLC

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133
AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Board of Directors
Abuse Counseling and Treatment, Inc.
Fort Myers, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Abuse Counseling and Treatment, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of Abuse Counseling and Treatment, Inc.'s major federal programs and state projects for the year ended June 30, 2014. Abuse Counseling and Treatment, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Abuse Counseling and Treatment, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted the audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*. Those standards, OMB Circular A-133, and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Abuse Counseling and Treatment, 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 on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Abuse Counseling and Treatment, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Abuse Counseling and Treatment, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of Abuse Counseling and Treatment, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing the audit, we considered Abuse Counseling and Treatment, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*, 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 Abuse Counseling and Treatment, 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 or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of the Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*. Accordingly, this report is not suitable for any other purpose.

Cindy D'Artagnan, CPA, LLC

ABUSE COUNSELING AND TREATMENT, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2014

I. Summary of Auditor’s Results

A. Financial Statements

1. We have audited the financial statements of Abuse Counseling and Treatment, Inc. as of and for the year ended June 30, 2014, and issued an unmodified opinion, dated November 20, 2014.
2. No significant deficiency was identified, consequently there was no material weakness reported.
3. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

B. Federal and State Awards

1. Our report issued on compliance for major federal programs and state projects was unmodified.
2. No significant deficiency in internal control over major federal programs or state projects was identified, consequently there was no material weakness reported.
3. The audit disclosed no findings that are required to be reported under Office of Management and Budget (OMB) Circular A-133, Section .510(a) or Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*.
4. Major federal programs and state projects identified on the Schedule of Expenditures of Federal Awards and State Financial Assistance are as follows:

	CFDA/CSFA Number
U.S. Department of Health and Human Services	93.558
U.S. Department of Health and Human Services	93.671
Florida Dept. of Health - Domestic Violence Trust Fund	
Florida Dept. of Health - General Revenue	
Florida Dept. of Health - Primary Prevention	

5. The threshold used to distinguish between Type A and Type B programs is \$300,000 for federal programs and \$300,000 for state projects.
6. Abuse Counseling and Treatment, Inc. qualified as a low-risk auditee under the provisions of OMB Circular A-133, Section .530.

II. Findings Related to the Financial Statements Required to be Reported in Accordance with *Government Auditing Standards*

- A. There are no findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

ABUSE COUNSELING AND TREATMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

III. Findings and Questioned Costs for Major Federal Programs and State Projects

- A. There are no findings or questioned costs for major federal programs or state projects relating to the audit of Abuse Counseling and Treatment, Inc. for the above referenced audit report.
- B. No Management Letter is required because there were no findings required to be reported in the Management Letter.
- C. No Corrective Action Plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Act.

ABUSE COUNSELING AND TREATMENT, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

There were no findings for the year ended June 30, 2013.